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House of Representatives

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Breathe into us, O God, the breath of life; strengthen us, O God, with the power of Your spirit; encourage us, O God, with the vision of liberty and the heritage of freedom; comfort us, O God, with the grace of forgiveness and the assurance of peace in our hearts, and may Your good blessing be with us now and evermore. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SHIMKUS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SHIMKUS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 5, rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Ohio [Mr. NEY] come forward and lead the House in the Pledge of Allegiance.

Mr. NEY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 56. Concurrent resolution authorizing the use of the rotunda of the Capitol for a ceremony honoring Leslie Townes (Bob) Hope by conferring upon him the status of an honorary veteran of the Armed Forces of the United States.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2527

Mr. CLEMENT. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 2227.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. MORELLA). The Chair will entertain fifteen 1-minutes on each side.

DO NOT GIVE UP ON PUBLIC SCHOOLS

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Madam Speaker, today Speaker GINGRICH will bring to the floor the Republican private education savings account proposal. This bill will do nothing to improve public schools. It is just another tax break for wealthy Americans to help them pay for private schools.

We already provide tax-favored savings accounts to help parents pay for college education expenses, both public and private. But there is no reason to expand this to pay for expenses from kindergarten to 12th grade at private schools. The money should instead be invested to improve public education from K to 12.

A Democratic alternative that will be proposed today would use the money for interest-free bonds made available to public schools to pay for school construction and repair, purchases of equipment and teacher training expenses.

Madam Speaker, I would ask my colleagues on both sides of the aisle to support the Democratic alternative. Let us improve public education rather than siphon Federal dollars for private schools. Madam Speaker, I say to my colleagues: Do not give up on the public schools.

TRANSPORTATION OF NUCLEAR WASTE POSES THREAT TO AMERICA'S COMMUNITIES

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Madam Speaker, the nuclear energy industry is trying to pull the nuclear wool over the eyes of America.

A recent report stated that transportation accidents involving dangerous nuclear wastes are inevitable and widespread catastrophic contamination is very, very possible. When comparing similar situations of transporting nuclear wastes and hazardous materials, the future for needless highly dangerous nuclear waste shipments looks frightening.

Data from the Department of Transportation reveals that in the last 10 years, just under 100,000 accidents released some form of hazardous material in the United States and its territories.

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Madam Speaker, these releases caused over $300 billion in damages, over 4,000 minor injuries and 350 major injuries, and over a staggering 100 human deaths.

Madam Speaker, these statistics are unacceptable, especially when extremely dangerous nuclear waste and its catastrophic repercussions are similarly shipped across this country. I urge my colleagues to vote no on H.R. 1270.

ANN'S CAMPAIGN FOR A SAFER AMERICA

(Mr. MORAN of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORAN of Virginia. Madam Speaker, I rise to recognize the resilience of a remarkable northern Virginia family. In April I was on the floor commemorating a young woman whose life was cut short in an act of senseless, random violence. At that time, the Mt. Vernon community in my district was attempting to come to grips with the loss of Ann Marie Harris, who was shot and killed in Tacoma, WA, during her spring break.

Madam Speaker, since this senseless tragedy Ann's friends and family have worked hard to keep her memory alive through the founding of ''Ann's Campaign for a Safer America.'' This organization is working to help all of us live the life that Ann radiated; a life in which we care more and are more understanding of each other.

I have the deepest respect for the Harris family as they try to turn this tragedy into a positive contribution for our communities. The Harrises have undertaken a speaking campaign to spread their experience through school presentation, conferences, and other forums. They will work with parents and school groups to prevent tragedies like this from recurring.

Madam Speaker, it epitomizes the best of the human spirit.

The Harris family is truly an example for us all. They have taken this shattering experience and turned it into a living tribute to their daughter. Ann's exceptional energy and enthusiasm lives on through these efforts.

Mr. Speaker, ''Ann's Campaign for A Safer America'' epitomizes the very best of the human spirit. I can think of no more appropriate memorial from Ann's family and friends than this effort to bring more understanding and less violence to our community.

KATHY WALLACE NAMED REE COOK-REITER ''WOMAN OF THE YEAR''

(Mr. NEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEY. Madam Speaker, today I want to talk about Kathy Wallace of Bellaire, OH, who has been named the Ohio Valley Medical Center's 1997 Ree Cook-Reiter Women's Center ''Woman of the Year.'' Kathy is the first recipient of the award which honors women who are devoted to helping their communities.

Kathy is special to many people in the Ohio Valley where I am from. She has touched many lives through her caring and giving attitude. Some of those people are residents of the Country Club Retirement Center in Bellaire, where she gives weekly manicures. She always has a warm smile and friendly conversation for them. Kathy also donates sweet treats to nursing home residents from the Dairy Queen that she owns in Martins Ferry, OH.

Kathy has taught Bellaire and Belmont County about the importance of volunteering and dedication to one's community. She leads by example.

Madam Speaker, I ask that my colleagues join me in thanking Kathy Wallace for her service to Belmont County, and to congratulate her as she is honored with this award as the ''Woman of the Year.'' I wish Kathy Wallace continued success and health and prosperity. She is what America is all about. She has made people's lives brighter.

COLLEGE COSTS MOUNT AS COLLEGE PRESIDENTS' SALARIES RISE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, economists say they are mystified. They cannot understand why college costs are going so high.

It is no mystery to me, Madam Speaker. Check this out: The president of Vanderbilt makes $480,000 a year. The president of Penn, $450,000. The president of Wake Forest, $450,000. The presidents of NYU and Yale make $425,000.

Madam Speaker, if that is not enough to tax our student loan, the president of Northeastern makes $1 million. Who is kidding whom? It does not take a Ph.D. to figure this out. Costs are going up at the college level because college presidents are getting hernias from carrying money bags around. Meanwhile, college graduates and students are filing for bankruptcy. Beam me up.

Madam Speaker, the President of the United States makes $250,000. I yield back all of those Ph.D. presidents; they are all piled higher and deeper with money bags, I might add.

RADICAL REPUBLICANS PAVE WAY FOR BRIGHTER AMERICAN FUTURE

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Madam Speaker, during the American Reconstruction period from 1865 through 1877, there was a group of visionaries who were called radical Republicans. They wanted African-Americans to have full citizenship. These radical Republicans were for changes in society and in government.

Those who criticized the Republicans were the defenders of the status quo, and that is, once again, the situation today. Republicans are once again being called radical, extremists, mean-spirited by the defenders of the status quo.

Why? Because it is Republicans who want to change government; who want to reform the IRS; who want to give back citizens their constitutional right of innocence until proven guilty, instead of being guilty until they prove themselves innocent in an IRS tax audit.

Madam Speaker, that is the vision of today's radical Republicans. It is not extreme or heartless. It is just common sense. So when my colleagues hear those words, ''extreme,'' ''mean-spirited,'' ''radical,'' remember once again the so-called radical Republicans paving the way for a brighter future for everyone here in America.

CHARACTER EDUCATION

(Mr. ETHERIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ETHERIDGE. Madam Speaker, I rise in support of character education and the strengthening of our public schools. I know teaching our children values and ethics will help improve education.

Last week I visited three schools in my district where character counts. They have embraced character education. They provide instruction on how to make good decisions. It teaches each child to control his own behavior. It teaches children to look at the world through a moral lense. Character education adapts existing educational material to inspire development of core ethical values among all students in the learning process.

Madam Speaker, it complements the efforts of parents, family, churches and the business community in developing qualities in our children that will strengthen our society. It emphasizes courage, good judgment, integrity, kindness, perseverance, respect, responsibility, and self-discipline.

Character education is a public school initiative that can improve education in America. Unfortunately, Congress would rather play politics with our children's future. Madam Speaker, we do not need vouchers to put tax money in private and religious schools. Let us defeat vouchers.

CONGRATULATIONS TO THE MT. VERNON, IL FUTURE FARMERS OF AMERICA

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Madam Speaker, I rise today to commend the young members of the Mt. Vernon, IL Future Farmers of America who have won the Illinois FFA career development contest and will soon head to the national contest in Kansas City, MO.

As part of the contest, this group of young men and women from southern Illinois was asked to choose a topic of debate on agriculture. The Mt. Vernon FFA chose to debate on the ethanol tax incentive, which is so important to the environment, energy independency, and economic growth in this country.

□ 1015

FFA debate team members will now travel to Kansas City on November 12 to debate with other FFA groups nationally.

I want to commend the Mount Vernon Township High School FFA for their hard work and wish each and every one of them the best of luck in debating ethanol in Kansas City.

Hopefully, they can come out and help me as we fight for the ethanol tax credit here in Washington, DC.

EDUCATION: REAFFIRMING OUR COMMITMENT

(Mr. FILNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FILNER. Madam Speaker, I rise today along with many of my colleagues to reaffirm our commitment to the education of our children and to our role in supporting local initiatives for strong neighborhood public schools.

One fine example of a local initiative which has fostered the success of thousands of children in my home State of California is the Parent Institute for Quality Education which has just celebrated its 10th anniversary. The primary emphasis of the Institute and its founder, Vahac Mardirosian, is the involvement of parents in their children's education. The Institute provides parents with the skills and knowledge necessary to become actively involved with their kids both at home and in their children's schools.

The Institute works with schools that have the most at-risk students. By building partnerships between parents, teachers and school administrators, the work and efforts of each are strengthened and every measure of quality education is demonstrably improved.

Plans to increase parental involvement in all our schools are included in the Democratic agenda for first class public schools. I encourage my colleagues to support this agenda which reaffirms our commitment to our children and to public education in our Nation.

COINCIDENCE OR ABUSE OF POWER

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Madam Speaker, the President of the United States says that we should not politicize the IRS. I agree. So let us see if I have got this straight.

The White House is going to be the defender of the IRS from politics. That must be awfully inspiring to the conservative groups and critics of the Clinton administration who have all suddenly found themselves targeted for an audit. Pure coincidence, I am sure.

Look at the record. Let us see how this nonpolitical IRS is working out in reality. A nonprofit group in Wisconsin, Fortress America, mailed a fundraising letter criticizing Hillary Clinton. What happened? Coincidence time. They got audited. A charter company, UltraAir, was one of those who got the ax in the travel office scandal. What happened? Coincidence time. They got audited. Billy Dale, coincidence time again, he got audited. Paula Jones brings a lawsuit. You guessed it. Another audit. Coincidence or abuse of power? You decide.

NATIONAL SAVE OUR CHILDREN DAY

(Ms. CHRISTIAN-GREEN asked and was given permission to address the House for 1 minute.)

Ms. CHRISTIAN-GREEN. Madam Speaker, not just October 27, but every day should be National Save Our Schools Day. As I see it, October 27 and every day should be National Save Our Children Day. This is the test by which our generation will be judged. The degree to which our Nation prospers in the 21st century and beyond will depend on our success as leaders in developing safe, well-equipped and well-managed public educational institutions which will promote and nurture the academic, social, and emotional development of our children from the very beginning of their lives.

Today, much of the greatness that this country could realize is being lost in the broken down hallways and ill-equipped classrooms of the public school system which we have created through our neglect.

No one would disagree that the system as a whole is dysfunctional, but would not this Congress be also dysfunctional if conditions were in the same despicable state in which too many of our children spend most of their young impressionable lives? Every day that this nation's children enter most of our public schools, the message that they get is that we, their leaders, do not care and they naturally respond in kind. So, Madam Speaker, not just on Monday, but every day we should make saving our children from despair and neglect our highest priority.

HABITAT FOR HUMANITY HELPS THOSE WHO HELP THEMSELVES

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Madam Speaker, I am pleased to congratulate Habitat for Humanity for kicking off a 6-week effort to construct five town homes in Fredericksburg, MD. Since 1976 Habitat for Humanity has used the model that the Lord helps those who help themselves to build simple decent homes in all 50 of the United States and more than 50 other countries. Habitat for Humanity is an ecumenical religious housing ministry that welcomes all people's participation and donations in their work.

By providing decent housing, using donated materials and volunteer labor, habitat builds the self-esteem and self-reliance of God's people in need and builds a stronger sense of community among all people by providing opportunities for individuals to bear active witness to their individual faiths and responsibilities as members of a community. I commend Habitat for Humanity for building homes and strengthening our communities.

UNION PACIFIC MONOPOLY

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Madam Speaker, freight rail service in large parts of the Western United States is at the point of collapse. Shipments have been delayed for weeks, even lost for months. That is not uncommon. Rail car shortages are so bad that plants in my district and throughout the Northwest are laying off workers, curtailing production for which they have orders because they cannot ship the product and they have got no place to put it.

Union Pacific's response has been, we are a monopoly now. We really do not care very much about your problems because you have got no place else to turn. Shippers have turned to the Service Transportation Board of the Government in desperation and now Union Pacific has a response, a suggested form letter with a carbon copy to President Dick Davidson of UP saying, we do not want any help or intervention, things might get better. UP is going to fix things now. They are paying attention.

They are being coerced into signing these letters, they are telling me, for fear that the dribble of rail cars they are now getting will be totally shut off. The Government has to step in and get the attention of this monopoly and straighten this out.

GROSS ABUSE AT IRS

(Mrs. LINDA SMITH of Washington asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LINDA SMITH of Washington. Madam Speaker, the American people were treated to quite a spectacle last week. Year after year, we have heard

complaints from citizens about heavy-handed tactics of the IRS, gross abuse of power and politically motivated tax audits. Finally, we are treated to a public hearing of these accusations. The only surprise is that things are even worse than we thought.

IRS stories are nothing new. I worked in this field for 15 years preparing tax returns. I had to live through many of these horrors with families. Everyone has got one, someone who has had their whole life turned upside down by an IRS agent who cannot tell the difference between a tax cheat, the little guy who has made an honest mistake, and an ordinary citizen trying as best they can to comply with an incredibly complicated Tax Code that even IRS experts, from my experience, do not understand.

We need to clean up the system and simplify it.

CAMPAIGN FINANCE REFORM

(Mr. SNYDER asked and was given permission to address the House for 1 minute.)

Mr. SNYDER. Madam Speaker, does a fish feel the wet? So asked an editorial writer last week in discussing campaign finance reform. A fish spends so much time in water he does not wake up one morning and say, gosh, I feel damp today.

Have we in Congress become so immersed in campaign dollars that we no longer feel the wet? Have we become fish, so used to swimming in the search for campaign donations that we no longer feel the wet? Have our lives become so immersed in making calls for donations that we no longer feel the wet? Do we spend so much time worrying about the level of money in our campaign funds that we no longer feel the wet? Has the Republican leadership become so immersed in the flood of campaign donations that they no longer feel the wet and will do everything they can to block campaign finance reform from even coming to the floor of this House? Madam Speaker, we have been immersed so long our voters no longer think we are wet. They think we are sliding. It is time to get out of the wet, dry off, and pass campaign finance reform.

LT. COMDR. ROBERT CURBEAM

(Mr. ROGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGAN. Madam Speaker, we Republicans in Congress are fighting to return rigorous academic standards to the public classroom. However, something just as critical is also missing from public schools: teaching our children virtue, patriotism, and citizenship. A shining example of those qualities was presented in my district last week when Lt. Comdr. Robert Curbeam, U.S. Navy, joined me in visiting four schools in the 27th Congressional District of California. For 6 straight hours, Bob Curbeam shuttled from Burbank to Glendale to Pasadena to Altadena. Bob went from classroom to classroom, and assembly to assembly talking to hundreds of children—many of them at-risk children—about his experiences as an astronaut aboard the NASA space shuttle *Discovery*, mission STS 85. I wish every Member of this body could have seen the faces on these children when they were able to see and listen to Bob Curbeam talking about the importance of studying hard, staying away from drugs and gangs, and believing in themselves.

The final school we visited was a school for emotionally disturbed children. Many of them live at the school because no suitable family homelife is available to them. At the end of Bob's speech, two young wide-eyed boys walked up to him and said, ''when I grow up, I want to be just like you.'' What a wonderful tribute that was to a wonderful role model. That is what heroes are all about. That is what patriotism is all about. That is what Robert Curbeam is all about. I am proud to count him as a friend; I am grateful for his service to our country; and I am deeply thankful that there are role models for young children like Bob Curbeam. As long as America produces leaders like him, we can continue to look forward to the future of our country with great confidence.

COLLEGE FOOTBALL'S FIRST-EVER PLAY BY A WOMAN

(Ms. HOOLEY of Oregon asked and was given permission to address the House for 1 minute.)

Ms. HOOLEY of Oregon. Madam Speaker, I want to bring to the attention of the House the fact that history was made in my district last Saturday. Liz Heaston, a 20-year-old junior, made college football's first ever play by a woman. Playing for the fifth-ranked undefeated NAIA Willamette University football team in Salem, OR, she entered the stadium late after playing in an earlier soccer game and kicked an extra point following the Bearcats' second touchdown at the end of the second half. Not only has Liz Heaston made history, but she has also demonstrated to everyone that with hard work, dedication, and the ability to dream, you can accomplish anything. Good work, Liz.

WORKING TO REFORM THE IRS

(Mr. THUNE asked and was given permission to address the House for 1 minute.)

Mr. THUNE. Madam Speaker, are you afraid to step up to the customer service counter at Sears and return an item if it is the wrong size or color? Are you afraid to send a plate of cold food back to the kitchen in a restaurant? Are you afraid to tell your mechanic about the strange noise in the new muffler they just installed? Probably not.

Are you afraid to call the IRS after finding an honest mistake in your tax return? You bet you are. So are most Americans.

A few weeks ago in church I met a man who was having terrible problems with the IRS. He wanted to come forward and share his story with one of the local TV stations, but in the end he decided not to. He was too afraid.

We have a lot of things to fear in the world today, from terrorist bombings abroad to gang violence here on the home front. Dealing with a Government agency created by and supported by our tax dollars should not be one of them. This is one of the reasons we need to reform the IRS, but that alone is not enough. We cannot expect efficiency and accommodation from an agency that is expected to enforce the world's most complicated Tax Code. We need to reform the IRS, but we also need to reform the Tax Code. Paying taxes is hard enough. We do not need 110,000 IRS employees and 4,000 amendments to the Tax Code to make it even harder.

CHARTER SCHOOL AMENDMENT ACT

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Madam Speaker, I would like to join my colleague and say that we do need to reform the Tax Code and reform the IRS. Let us do it this year. Let us do it before we leave here in November. Let us take care of it now so the folks next year, when they pay their taxes, will be able to deal with it.

I am going to talk about a bill that is on the calendar today. H.R. 2646 is a bill we will vote on today that will allow for IRA's for education expenses for elementary, secondary students. Public education has always been important to the United States. H.R. 2646 allows a parent to set up a tax-free IRA of $2,500 a year per child and that money could be used for subsidizing investment accounts for either public or private school extra expenses. However, the bill takes scarce Federal dollars and leaves out 90 percent of the students who attend public schools. This will cost the taxpayers $5 billion a year.

Why should taxpayer money be redirected to a small few? Sixty-four percent of families with children under the age of 18 will not be able to participate in this bill. They have to buy uniforms and computers, too. Let us help most of the people, not a select few.

EDUCATION

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Madam Speaker, why are the Democrats trying to keep the status quo in public education? Are

they so much in the pocket of the Washington Teachers Union that they are willing to sacrifice America's children to educational mediocrity.

As a public school graduate and the son and brother of teachers, I am appalled by this out-of-touch, deny-reality approach to education. Just because Washington bureaucrats do not want to improve public education does not mean that Congress should be afraid to tackle the job.

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Since my graduation from high school, SAT scores have fallen. Tests on an international basis show that Americans are behind German, Japanese, and British children, and private schools and charter schools are flourishing in popularity.

Why? Because of local control. Because of less Washington bureaucrats. Not because of Washington redtape and all the status quo things that the Democrat Party seems so content to keep piling on, and piling on, on the teacher and her classroom.

I say let us improve public education. Let us start by returning dollars not to the Washington bureaucracy but to the teacher in the classroom.

SUPPORT H.R. 2649 OR H.R. 2650 TO END LINE-ITEM VETO

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Madam Speaker, I think there was an interesting experience yesterday in the hearings before the Committee on National Security as we watched the worm turn. I noted with some sense of irony the protests that were being made about the President's recent exercise of the line-item veto, a power given to him by most of those who were protesting its exercise.

The fears that we had that this would be an invitation to an abuse of power are being borne out. It is unconstitutional. It is bad public policy.

Who do we have to blame? Ourselves.

How do we undo it? Let us start here with a better approach: Expedited rescissions, giving the President the power to flag wasteful items, but then we have to vote and vote promptly.

We have a measure for every taste. If my colleagues would like to repeal the line-item veto and replace it with expedited rescissions, H.R. 2649.

If we are purists and want to completely repeal the line-item veto, a completely defensible point of view as well, H.R. 2650.

BIG HAT, NO CATTLE

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Madam Speaker, we know that the President and other politicians talk an awful lot about education reform but, unfortunately, that is about as far as it gets. Because for all the talk about improving our Nation's schools, when it comes to concrete action, real reforms that will force bad schools to improve or shut down, there is no action.

It is a case once again, as they say in Texas, of ''big hat, no cattle.'' Take for example A+ Accounts. A+ Accounts are education savings accounts which let parents save in a tax-free account so that they can send their kids to a better school if the public schools in their neighborhood are bad.

But the President and his special interest allies oppose the idea of A+ Accounts. They would rather force kids to stay in crummy schools than to take on the special interests that are incapable of reforming bad schools. But, of course, this will not stop them from talking about education reform and reforming bad schools. ''Big hat, no cattle.''

UNITE BEHIND PUBLIC EDUCATION, REJECT PRIVATE INCENTIVE PROGRAMS

(Mr. DOGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOGGETT. Madam Speaker, well, as we know in Texas, you do not help our public schools by siphoning off the money and giving it to private elite academies, and that is what this so-called Private School Expense Act that we are about to debate is all about.

It is at the expense of public education that we help the private elite academies that serve a small percentage of the wealthiest among us. I think it is wrong. I represent communities in the capital of Texas, the central Texas area, that will next month receive more blue ribbon school awards for quality public education than any other area our size.

Our business community supports our public schools through a massive adopt-a-school program of time and resources. But today's Private School Expense Act goes in just the opposite direction. If we want to support those efforts, those local community efforts for strong public schools, we do not take Federal resources and divert them and provide an incentive for the wealthy to leave public education.

Let us unite behind public education and reject this private incentive program.

FIND A WAY TO PRESERVE THE HISTORIC CONGRESSIONAL CEMETERY

(Mr. WALSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALSH. Madam Speaker, not very far from the Capitol in Southeast Washington sits the historic Congressional Cemetery. The name is somewhat misleading, since the cemetery itself is not affiliated with the U.S. Congress. However, there are over 60,000 interments there, including America's ''March King,'' John Philip Sousa; former FBI Director J. Edgar Hoover; Native Americans; military leaders; and over 50 former Members of Congress.

Over the years, the cemetery has fallen into disrepair. It was in need of a thorough cleanup, and under the leadership of our own Jim Oliver from the Cloakroom, who also heads the Association for the Preservation of Historic Congressional Cemetery, the project was undertaken last month.

It would be impossible to name the hundreds of volunteers, but special praise goes to Air Force M. Sgt. Thomas Williams and Sgt. Dave Lutzow, both stationed at Andrews Air Force Base, who saw a program on the History Channel listing the cemetery as an endangered national treasure. Also, our former colleague, Bill Carney of New York, deserves great praise.

It was a terrific effort but more needs to be done. We have to find a way to provide for permanent care and maintenance of this treasure. It is truly historic and of national significance.

THE 25TH ANNIVERSARY OF TITLE IX

(Ms. KILPATRICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KILPATRICK. Madam Speaker, yesterday the bipartisan Congressional Caucus for Women's Issues held a very successful title IX hearing. This is the 25th anniversary of title IX and it has afforded the opportunity for hundreds of thousands of young women and others to attend higher education. Title IX was signed into law by President Nixon and enacted on June 23, 1972.

I am happy to also announce that today I will introduce legislation for a Congressional Gold Medal for Ms. Wilma Rudolph, a pioneer. The legislation is sponsored by original sponsors, nearly 40 of them here in this House of Representatives. It just so happens that June 23, the day the bill was enacted, is Ms. Wilma Rudolph's anniversary of her birthday, and we honor title IX.

Twenty-five years. We have come a long way, and we have a long way to go into the new millennium. It is our hope the Congressional Caucus on Women's Issues will put this issue before the Committee on Economic and Educational Opportunities.

TAX REFORM

(Mr. ROYCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROYCE. Madam Speaker, according to the Cato Institute about one-half of the 10 million correction notices

sent out each year by the Internal Revenue Service are wrong. They are wrong. Yet the IRS has a very unforgiving view when others make mistakes. For example, the IRS once fined a taxpayer $46,000 for an alleged underpayment of 10 cents.

That is why I have cosponsored the IRS Restructuring and Reform Act: to provide taxpayers new protections and rights to address many of the abuses spotlighted in the Senate hearings. Once we provide more protection for taxpayers, we must then simplify the current system and end the IRS as we presently know it.

It is my goal, it is the Republican goal, to end overtaxation in America. It is my goal to help Americans keep more of the money they earn so they can do more for themselves, for their families, and for their communities.

I ask my colleagues to join with me to make it happen, and I ask Congress to work with us to make sure Washington wastes less of our money and our families are able to keep more of what we earn.

VIETNAM—THE HUMAN RIGHTS SITUATION

(Ms. SANCHEZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SANCHEZ. Madam Speaker, I rise today to draw the House of Representatives' attention to statements received at a Member's briefing I cochaired on the human rights situation in Vietnam on September 30, 1997.

This briefing included testimony from experts from international, religious, and human rights' organizations on the social and political state of Vietnam. In addition to myself, the gentlewoman from California, Ms. ZOE LOFGREN, the gentlewoman from Ohio, Ms. MARCY KAPTUR, and the gentleman from Virginia, Mr. TOM DAVIS, were also in attendance to hear the recommendations from these witnesses.

Madam Speaker, I request the statements made at the briefing be submitted for the CONGRESSIONAL RECORD.

This past June, Secretary of State Madeleine Albright visited Vietnam to formally open the U.S. Embassy. The recent establishment of diplomatic relations reflects historic changes of the United States-Vietnamese relations since the end of the Vietnam war in 1975 and the lifting of the embargo in 1994.

I believe that with the normalization of relations between the two countries comes a great responsibility. Now, more than ever before, it is of critical importance we pay careful attention to the progression of developments.

DEMOCRATS SHOULD STOP HELPING WHITE HOUSE OBSTRUCT JUSTICE

(Mr. SCARBOROUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCARBOROUGH. Madam Speaker, more and more Americans are concerned about the fund-raising scandal going on and the coverup going on over at the White House. In fact, a majority of Americans are now calling for an independent prosecutor. Yet all the Democrats give us is the ''they did it, too.''

But the New York Times editorial said on July 16, 1997, quote, the White House fundraising scandal cannot be covered up by the standard spin of the ''they-did-it-too'' or the equally shop worn ''whoops-sorry-about-that.''

The Detroit News says there is a pattern here. The administration appears to have perfected the art of delay and obstruction. Democrats have been dragooned into doing the downfield blocking and tackling in Congress for the sleaziest White House since U.S. Grant. And videotapes, documents, and witnesses are discovered too late to be examined before congressional hearings. That is the New York Times and the Detroit News.

I ask the Democrats to show moral courage, step forward and stop helping this White House obstruct justice.

NO PRIVATE SCHOOL VOUCHERS

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Madam Speaker, last week I visited six schools in Atlanta: Inman Park Preschool, Morningside, Adamsville, Cook Elementary School, Walden Middle School, and Grady High School. What parents, teachers, administrators, and students all told me was we should not allow Republicans to take money away from our public schools and give it to private and religious schools.

Madam Speaker, the American people want strong public schools, not private school vouchers for a privileged few. Nine out of 10 children attend public schools. Each and every one deserves a first-class education. That is why Democrats want to invest in public schools.

What do the Republicans propose? Abolish the Department of Education, divert resources to private and religious schools. And today we consider a sneaky plan that uses the Tax Code to undermine support for public schools.

Madam Speaker, our children deserve better than easy schemes and quick-fix solutions. Stop scheming and invest in public education.

THE EFFECTS OF NAFTA AND FAST-TRACK

(Mr. STEARNS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STEARNS. Madam Speaker, since NAFTA has begun, Florida agriculture has lost in excess of $1 billion; Florida tomato farmers have alone lost $750 million.

So much for level playing fields and reduced tariffs. According to the O'Conner & Hannan law firm of Washington DC, ''For tomatoes, the losses are clearly due to the dumping of Mexican tomatoes in the U.S. market as determined by the Commerce Department. The primary cause of the injuries to Florida agriculture is NAFTA and its ineffectual safeguard provisions.''

The Florida Department of Citrus has further informed me, that after 3 years of NAFTA, Florida citrus is still not even allowed into Mexico. How is this possibly free or fair trade?

Congress needs to stand up to this destruction of American industries such as agriculture.

The administration and the proponents of granting renewed fast-track authority have failed to articulate the economic imperative of granting such authority.

Trade deals should be negotiated when possible on a case-by-case basis and given the stature of a formal treaty.

AUTHORIZING USE OF ROTUNDA OF THE CAPITOL FOR A CEREMONY HONORING LESLIE TOWNES (BOB) HOPE

Mr. NEY. Madam Speaker, I ask unanimous consent that the Committee on House Oversight be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 56) authorizing the use of the rotunda of the Capitol for a ceremony honoring Leslie Townes (Bob) Hope by conferring upon him the status of an honorary veteran of the Armed Forces of the United States, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Ms. KILPATRICK. Madam Speaker, reserving the right to object, will the gentleman from Ohio please explain the resolution?

Mr. NEY. Madam Speaker, will the gentlewoman yield?

Ms. KILPATRICK. I yield to the gentleman from Ohio.

Mr. NEY. Madam Speaker, Bob Hope, of course we all know, has been successful in all the areas of show business, but the Committee on Veterans' Affairs believes that Bob Hope's most important contribution to our American society was entertaining the Nation's troops.

He actually attempted to enlist, in his adopted country, into the service, and he was told that the greatest service he could do for the country was to entertain troops, which he has done since World War II all the way through the Persian Gulf.

He was also cited by the Guinness Book of World Records as the most honored entertainer in the world. But I think what stands out most in the American population's mind in this country is how he put himself in harm's way, although he went with

other entertainers, but led the charge really to boost the morale and to visit with our troops and let them know that America was always behind them.

So, Madam Speaker, this resolution would authorize the use of the rotunda in the Capitol on October 29, 1997, for a ceremony to honor Bob Hope by conferring on him the status of an honorary veteran. And I would note that the status of honorary veteran will be officially conferred upon him by House Joint Resolution 75, and that passed June 3, and in the Senate on September 9, and has been forwarded to the White House.

So Mr. Hope will personally be here on Wednesday, and this will be the use of the rotunda, to honor Bob Hope's commitment to our veterans and who has made our country so great.

□ 1045

Ms. KILPATRICK. Madam Speaker, I appreciate the explanation from the gentleman from Ohio. I too think Bob Hope is a fine gentleman who has really kept the morale up of many of our veterans and would concur with the resolution.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mrs. MORELLA). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 56

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the Capitol is authorized to be used on October 29, 1997, for a ceremony to honor Leslie Townes (Bob) Hope for conferring upon him the status of an honorary veteran of the Armed Forces of the United States. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question de novo of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on agreeing to the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NEY. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 52, not voting 17, as follows:

[Roll No. 521]

YEAS—364

Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Boswell
Boucher
Boyd
Brady
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Ewing
Fattah
Fawell
Fazio
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Meek
Mica
Millender-McDonald
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Parker
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Wexler
Weygand
White
Whitfield
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—52

Abercrombie
Becerra
Borski
Chenoweth
Clay
Clyburn
DeFazio
Dickey
English
Ensign
Evans
Everett
Farr
Filner
Fox
Gephardt
Gibbons
Green
Gutierrez
Gutknecht
Hefley
Hilliard
Hinchey
Hulshof
Johnson, E. B.
Kucinich
Lewis (GA)
LoBiondo
Maloney (NY)
McDermott
Menendez
Miller (CA)
Moran (KS)
Pallone
Pascrell
Pickett
Pombo
Poshard
Ramstad
Sabo
Salmon
Schaffer, Bob
Slaughter
Stupak
Taylor (MS)
Thompson
Velazquez
Vento
Visclosky
Waters
Weller
Wicker

NOT VOTING—17

Bonior
Bono
Brown (CA)
Cubin
Dixon
Flake
Foglietta
Gonzalez
Houghton
Istook
McDade
McIntosh
McNulty
Metcalf
Schiff
Schumer
Souder

□ 1107

So the Journal was approved.

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

PROVIDING FOR CONSIDERATION OF H.R. 2646, EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 274

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual

retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in part 1 of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment specified in part 2 of the report of the Committee on Rules, if offered by Representative Rangel or his designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for sixty minutes equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. FOLEY). The gentlewoman from North Carolina [Mrs. MYRICK] is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

Mr. Speaker, the Committee on Rules met yesterday and granted a modified closed rule for the consideration of H.R. 2646, the Educational Savings Accounts for Public and Private Schools Act. The rule considers the bill as read for endorsement.

The rule further considers the amendment in the nature of a substitute recommended by the Committee on Ways and Means as modified by the amendment printed in part one of the Committee on Rules report, which fixes a 10-year pay-go problem in the Senate. The amendment causes provisions in this bill to expire after 5 years. This is in keeping with our efforts to stay within the bounds of our historic budget agreement. The Committee on the Budget has indicated they are in agreement with this amendment.

The rule also provides 1 hour of debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule further provides for consideration of an amendment, if offered, by the gentleman from New York [Mr. RANGEL] or his designee. All points of order are waived against his amendment.

The bill shall be considered as read for amendment and shall be debatable for 60 minutes, equally divided and controlled by a proponent and an opponent.

Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, this is a fair rule. What we will debate is a matter of philosophy. There are really only two sides. The rule allows debate between those who support giving families more power over the education of their children, and those who support allowing bureaucrats to continue to have that power.

The crisis in American education today especially affects children in elementary and secondary education. Our education system is failing them and leaving too many children unprepared for the future.

Consider the following: Forty percent of all 10-year-olds cannot meet basic literacy standards; eighth graders recently placed 28th in the world in math and science skills; over 60 percent of 17-year-olds cannot read as well as they should; 2,000 acts of violence take place in schools every day; children in Los Angeles are taught to drill to protect themselves at the sound of gunfire; and almost one-third of freshmen entering college require some sort of remedial instruction.

□ 1115

We have a moral obligation to fix these problems. Without bold new ideas and innovative solutions, we never will.

Recently there has been a great deal of talk about helping more people afford a higher education. Helping financially is great, but what about the students who never access those programs because their school failed to prepare them for college? I believe we must enact reforms like H.R. 2646 so that we can truly expand higher educational opportunities for children. We increase those opportunities by providing a good, solid education at the elementary and secondary level. That way, more children will be prepared to go on to college. Blocking those reforms keeps too many children locked into a system that never gives them a chance to realize their true potential.

The real expansion of opportunity will come from preparing more children for higher education. We must reach them while they are in elementary and secondary schools, because if we do not educate them coming in, they will not have that opportunity to go to college, no matter what it costs. It is not a question of how much money is being spent on education. Some of the worst schools in the country are in districts where the per student spending is very high. It is a question of who controls the spending: families or bureaucrats. I, for one, side with the families.

Research has shown that engaging parents in their children's education improves the academic performance of their children. It also gives parents a stake in the success of their local school. The bill we will debate today is one of the most innovative initiatives yet advanced to improve the quality of education for children in America. According to the Joint Committee on Taxation, an estimated 14.3 million families will benefit from these savings accounts by the year 2000, and about 10.8 million of those have children who attend public schools.

H.R. 2646 allows families and anyone else concerned with a child's education, like grandparents, aunts, uncles, cousins, concerned mentors, or neighbors, to invest in an education savings account for that child.

Mr. Speaker, the money in these savings accounts could be withdrawn tax-free to pay for the child's education-related expenses, and those expenses may include a personal computer, tutoring, transportation to school, books, a school uniform, or private school tuition. Parents of home-schooled children and children with special needs may also use these funds for educational-related expenses. Any money not used by the time the child graduates from high school could be used for college-related expenses.

Similar ideas have been implemented in Minnesota and Arizona. For almost 15 years, Minnesota taxpayers have been able to deduct from their State income taxes expenses incurred for tuition fees, textbooks, and transportation for children enrolled in public or private schools. In fact, earlier this year the Minnesota Legislature expanded the tax credit due to enormous public support. According to the Governor's office, about 900,000 children will benefit from their expanded plan.

On April 3, the Arizona Legislature passed an innovative tuition tax credit which provides a credit for contributions to public school, extracurricular programs, and for contributions to tax-exempt organizations that award scholarships to children to attend the private schools of their choosing.

H.R. 2646 is a good bill. In a recent poll, 66 percent of those who were polled supported the creation of savings accounts like the ones in this bill. This bill will not solve all the problems in our public education system, but it can be part of the answer. I urge my colleagues to support the rule and H.R. 2646. Do it for the children, for their future. We have the power to help.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Republican majority is intent upon ignoring the needs of our public school system in the United States. Over the years, hundreds of millions of Americans have been educated in the public schools of this country, thus assuring parents that every child is entitled to and will receive an education from kindergarten through the 12th grade.

Yet, instead of seeking to improve and strengthen public educational opportunities, my Republican colleagues want to drain precious resources from the Treasury and give them, through the back door, to upper middle-class parents who send their children to private schools.

Mr. Speaker, a mere 3 months after the enactment of the balanced budget agreement and the tax bill, the Republican majority wants to create another new tax break for upper-income middle-class families. These are the families, Mr. Speaker, who are already financially able to send their children to private schools, and they do not really need the Federal Government to help them.

The Republican majority has billed these new tax breaks as a means to give parents choice in where they send their children to school, but let us face the facts. This bill will not help families who cannot already afford private or parochial schools. This bill will not help those families who are struggling to make ends meet. Most young families and families with children have relatively little money left over at the end of the month to contribute to an account which would help them with payments for a private school.

What this bill will do, Mr. Speaker, is provide benefits to higher income families, while providing little or nothing to families with incomes of less than $55,000 a year. The average tax break for a family making between $33,000 and $55,000 a year under this bill is $7. Seventy percent of the benefits of this bill will go to families making between $93,000 and $160,000 a year, upper middle-class families who send their kids to private school. A family making up to $33,000 a year will only see a tax benefit of $2, and that is if they make the maximum contribution of $2,500 to an IRA.

Mr. Speaker, this new savings program will not really do much to help families make a choice about where they send their kids to school, and it most certainly will not do anything to address the pressing needs of the public schools in this country. While I submit that H.R. 2646 is not really about nor does it afford school choice, this rule gives Members the opportunity to make a choice. The Committee on Rules has given the House an opportunity to choose between making a positive choice for the improvement of our public schools, or the Republican bill, which promises but does not give tax breaks to middle-income and lower-income families.

The committee bill benefits families who can afford to pay for tuition to a private or parochial school, and at the same time make an annual $2,500 contribution to an educational account. That is something many families are not able to afford. The Democratic alternative, which will be offered by the Committee on Ways and Means' ranking member, the gentleman from New York [Mr. RANGEL], seeks to improve curriculum, to rehabilitate or repair school buildings, to buy equipment, or to train teachers by providing interest-free capital for public schools that enter into partnerships with the private sector.

The Rangel substitute seeks to expand the educational zone provisions passed in the Tax Relief Act, and is, unlike the committee bill, targeted to the public schools and their students, who have the greatest need.

Mr. Speaker, no matter how often or how loudly the Republican majority cries that what they want to do is to help parents make choices for their children, the real truth is that for most Americans, public school is their first and only choice.

Mr. Speaker, 90 percent of the kids in this country go to public schools, and we, the elected Representatives of the mothers and fathers of those children, are duty-bound to make sure that whatever we do, we do not destroy the public education system in this country. We are duty-bound, Mr. Speaker, to help those local school districts ensure that every school is a first-class institution providing our kids with a safe and drug-free environment in which they can learn what they need to in order to be productive citizens of the 21st century. We are duty-bound, Mr. President, to make sure that every kid gets a good education.

Mr. Speaker, I support this rule, but only because the Rangel substitute has been made in order. I urge Members to reject the Republican bill, and to give kids a real choice and a real chance at quality education by adopting the Rangel substitute.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, the gentleman, and far be it from me to even presume to correct the distinguished gentleman from Texas, but I think he suggested that this might cost $2 or $3 billion.

Mr. FROST. No, I did not use that figure.

Mr. STARK. There is approximately a $2.5 billion cost, but the true cost, if the gentleman will yield, is actually over $5 billion. There is a gimmick in here, strictly for budget purposes. The bill is sunset at the end of 5 years. If the Members can name a tax loophole that has ever been allowed to sunset, then I would say he could make the point, but the fact is if this goes on, the 10-year cost approaches $5 billion, money that we could use to rebuild schools across the country and use for every American child, not merely the 2½ billion that is in here. So not only is it heading in the wrong direction, there is a subterfuge here that understates the cost by a great deal. I thank the gentleman for his observations.

Mr. FROST. Reclaiming my time, Mr. Speaker, I would thank the gentleman for making that point. I did not address the dollar cost to the Treasury. The point is a very good one. The point that I was trying to make is that this is a subsidy for upper-income suburbanites. This does not help anybody in the inner city send their kids anyplace. This is a sham piece of legislation, but I thank the gentleman for making the point that this, in addition to being a sham piece of legislation, that this does cost the Treasury potentially a good bit of money as we try and help those upper-income suburbanites send their kids to private school.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Ms. PRYCE].

Ms. PRYCE of Ohio. Mr. Speaker, I thank my colleague, the gentlewoman from North Carolina, for yielding me this time.

Mr. Speaker, I rise in strong support of this rule and the underlying legislation. As the gentlewoman described, this rule makes in order the Education Savings Act for Public and Private Schools, of which I am a proud cosponsor.

Mr. Speaker, there is no more important investment that we can make as a country than in the future of our Nation's children. Stimulating and challenging young minds through a quality education will ensure that they have the tools to achieve personal success, and to continue America's tradition of leadership and innovation.

The bill this rule makes in order will allow every child to have an A plus account in which $2,500 may be deposited each year for that child's education. The interest on these investments will accrue tax-free, and withdrawals can be spent for virtually any educational need, school books, computers, tutoring, uniforms, transportation, tuition, any of these things, from kindergarten all the way through to college. The beauty of these accounts is that the choice of how to spend the money is left to the parents.

Make no mistake, this is not Government money, it is hard-earned taxpayer money coming out of the pockets of individuals who had the foresight and discipline to save it, whatever their income level. Nameless, faceless bureaucracy is taken out of the equation. All the Government is giving is a break to hard-working families who want the very best for their children.

Some of my colleagues on the other side of the aisle shrink at the thought of even the simplest education reforms, claiming that public education will be the loser. Their solution to what ails our education system is increased spending at the Federal level, more Federal strings attached, more one-size-fits-all solutions. I ask my colleagues on the other side of the aisle, why do they insist on killing public education by insisting that command and control remain in Washington?

Under the Education Savings Act we get the best of both worlds: more investment in education, and greater involvement of parents and the others interested in the community. Public schools stand to gain as much as any other educational institution when there is more money available to go around.

Mr. Speaker, I urge my colleagues to support increased investment in our

Nation's future through the education of its children. Every Member should support this rule and the underlying legislation. Do it for the children.

□ 1130

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Speaker, I am delighted we are having this debate today because America needs to talk about education. Unfortunately, the Republican proposal is not the right direction. Now, I will admit, tax break savings accounts are not without their appeal. But the fact of the matter is this bill is being oversold. If Americans are in the so-called middle class and they make $55,000, they only save $7. Even if they made up to $93,000 as a family, they would only save $32 a year. So do not let them suggest that Americans are going to get great tax savings out of these educational savings accounts.

They come up here and talk about computers and books and school supplies and savings accounts for private schools. We can have that now. The only thing they try to do is create some sort of tax incentive, and as I indicated the tax savings are really quite meager.

On the other hand, the Democrats are introducing a sound approach embodied in the Rangel substitute. What we are saying is let us take this money and repair our schools. As I recall, the gentlewoman from North Carolina [Mrs. MYRICK] suggested that we needed education reforms, we need to fix our schools. Mr. Speaker, we do need to fix our schools. We need to repair leaking roofs. We need to provide technological advancements and computers for our schools. We need to build new schools to accommodate overcrowding. The Republican approach does not do that.

The fact of the matter is that in America we have a tradition of public education. Even with private school expansion, 9 out of 10 Americans will go to public schools. We need to have the money available to improve those public schools. That is what we want to do today.

The Rangel substitute will allow us to look at some of our schools in our depressed communities and say we need to repair these schools. We need to improve the ventilation. We need to provide technological improvements to these schools. We need to make these schools schools that Americans can be proud of.

Today in this debate we basically have a choice. We can give someone $7 a year and a tax break, or we can significantly improve America's schools in a real, significant way in terms of improving our educational infrastructure.

Mr. Speaker, I think this bill is being oversold. I think the tax savings are very meager. The option that the Democrats provide is a much superior policy. I urge support for the Rangel substitute.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Speaker, it is a pleasure for me to rise in support of this rule and the bill.

Mr. Speaker, Republicans want to improve education for America's kids and they want to improve education for the largest number of kids. There has been a lot of talk, and I am sure there is going to be a continued amount of talk, about how this bill is going to destroy public education. The question I would pose to the opponents of this bill is: Is public education so bad that so many people are going to leave in droves, that public education is going to be destroyed by this legislation?

Mr. Speaker, we have a child care tax credit and we do not make parents of those little kids who use the child care tax credit go to a public day care center. In the GI bill, we do not make veterans go to public colleges. They can go to a private college or a public college. As I understand it prior to the GI bill, prior to its enactment in 1942, 50 percent of people went to private colleges and 50 percent went to public institutions, and under the GI bill now, today, 70 percent go to public colleges and 30 percent go to private institutions. So to say that this is going to destroy public education to me is a very, very fallacious argument.

In my opinion, this legislation will help public education, and will help public education immensely, because when public educators know that there is really a marketplace out there and that parents might actually choose other institutions, it is going to force them to be more competitive and more innovative, and I think the quality of public education in America is going to improve under the A-plus Act, as more parents have the ability to choose in a marketplace of education where they send their kids, whether it be public or whether they choose to take their money and put it into private education, and after all it is their money. Right? They earned the money. It is the money that they earned on the job that we are letting them keep a little more of. It is not like it is our money and we are somehow in control of it. We are letting them keep a little bit more of their money by not taxing it, so they can apply it to their child's education. What is wrong with that?

Mr. Speaker, I will tell Members what the result of this bill will be. More middle-class families and the working class families will be able to afford what the rich people in America already can do, which is to send their kids to private schools and, in so doing, it is going to help their kids and, in so doing, it is going to improve public education all across America. So to say this is going to destroy public education, that argument has no merit in my opinion.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I do not usually speak on a lot of bills and I do not think anybody in this House necessarily is against education. I think all of us are in favor of all the kids of this country having the best education that is available to them. But I have a particular problem with this bill.

Mr. Speaker, I think this bill in many ways is worse and different than the voucher argument, and we can have the voucher argument and I am sure we will have many more. But this does not involve a direct subsidy or whether we are for it or against it. It is an indirect subsidy.

Mr. Speaker, I do not necessarily think this bill is going to help the poor or the middle class move out of the public schools, that the public schools are bad, or make public schools compete. The way this bill is structured, the people who are going to really benefit are the people in the upper income levels because it is a deduction. It is the people who have the disposable income. The people who are making up to $160,000 a year are going to benefit.

Every Member in this body and the other body who is a joint filer, who has kids who are under 18, benefit under this bill because of the salary level of $133,000. But somebody who is making $50,000 a year or $4,000 or $20,000 a year is not going to receive the same benefit. So I think we need to look at what this really is. This is a tax break that is being given to the upper income.

Maybe we are for that and maybe we are not. But let us talk about what it really is, and let us not talk about this that some way this is going to improve the education system because the way it is structured we know just does not get down the income stream. If Members want to do that, then maybe they ought to go back and bring about that bill and let us debate that on the floor. But here all we are doing is giving a tax break, a tax cut, to the upper end.

Maybe we want to do that, maybe we do not. But I do not think that is what the American public is looking for. I think that they want to see the education system improved. They want to do like all of us who are parents, and my wife and I are parents of two daughters, we want to do whatever we can that is best for our children. But let us not do it by giving a tax break to the wealthy in this country.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PAUL].

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I was the original cosponsor of 2373, the Education Savings Act. That bill has changed. It is now 2646. I can support with reluctance this rule coming to the floor, but because of the changes that have occurred, I can no longer support this bill. There is nobody in this House that is a stronger supporter of credits and benefits and return of funds to parents to raise their children and give them a choice.

There will be Members on this floor today who will oppose this bill because they cannot stand the idea of returning funds to parents and giving them a choice, but I am opposing it because this is a net tax increase. This is costing, and for that reason I can no longer support this bill.

Mr. Speaker, I think the best way to give individuals and families a true choice is to give them tax credit. Unfortunately, this is a small step in the right direction, which I could have supported if we would not have had to raise taxes. We are closing a so-called loophole, a benefit provided to the businessmen and the individuals who benefit from the way their vacation time is deducted. The courts ruled in favor of the taxpayer and here we are undermining it.

According to the Joint Committee on Taxation, our own committee here in the Congress has estimated that what we do here today will raise taxes $1.8 billion over the next 2 years. With the most optimistic projections on how many people will use these savings accounts, they are claiming there will only be a return of $600 million. So in the next 2 years, if this goes through, we will raise taxes three times as much as we are so-called returning.

This is a net tax increase. It is not the way to go. We should do one thing to provide for these tax credits, one and only, and that is cut spending. Do my colleagues realize that if we would cut the National Endowment for the Arts by less than 3 percent we would have enough funds for this? That is all that we would need to do. But instead we go and we reverse the procedure of the courts which finally ruled in favor of the taxpayers, and now we are going to force them to reassess and revamp and make sure that those individuals on how they are handling their vacation time that more taxes will be paid.

Mr. Speaker, it is estimated the most optimistic estimates on this bill in order to project what might happen is that 12 million people would use these accounts, the maximum amount of $2,500 for 5 years. It means $120 billion would be stashed away. That is very unlikely, but I do predict that the taxes will go up, unfortunately.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I would love to give the preceding speaker, the gentleman from Texas, more time because he is quite right. What he points out, as one of the earlier speakers talked about leadership and innovation, what we do not need is more Republican leadership and innovation on how to screw the average American and give the benefits to the few Republican rich, and that is what this bill does.

Mr. Speaker, it is poorly done. The bill is poorly drawn. It is sloppy legislation. For example, do my colleagues think these rich Republicans who qualify for this bill can take the tax qualified education savings and use it to purchase a car for their child? So we have here a tax break to let little kiddies buy cars. I suppose that is good if one is a Mercedes or a Ferrari dealer, but it is not going to help the average American who is going to have about $32 a year in savings, and how is that going to help them decide whether to pay $3,000, $5,000, $9,000 in tuition?

I do not think the $32 makes a bupkis' worth of difference to the average American, and I do not think they are going to use this money one way or the other. But the Treasury will lose it to the richest 5 or 6 percent of the Americans who will get all of the savings. It is a tax gimmick for the rich, just like the bills we have been passing out of the Committee on Ways and Means. We have been taking money from the average American taxpayer and shoveling it out the door to the rich Republicans as payoff, I presume, for whatever they think they can do. But it is not helping the average American.

Mr. Speaker, this will allow a family to pay one child to tutor another child, and there is no effective income limit on this. This will allow very rich Americans who exceed the income limit to make gifts to their children, who can then invest in these two gimmicks, and it is an absolute dream for the tax attorney and the accountant to create loopholes for the rich who have a lot of assets, arguably enough assets to already send their children to private school.

So, Mr. Speaker, I do not think it is going to hurt public education at all. I do not think it is going to help private education at all. It is going to deal with a small group of people in the $90,000 to $160,000 category and create bountiful tax loopholes for them, to the extent that the American taxpayer will lose in the aggregate over $5 billion.

So, it is a few hundred dollars here and a few thousand dollars there, Mr. Speaker. But the average American who, at the most, at the absolute most, could get 30 bucks a year out of this, that is all they will get. That will make no difference in the child's education. In no way will it help their child get a better education. It just helps the rich get richer on the backs of the American worker.

□ 1145

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. ARCHER], distinguished chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, only for the purpose of setting the record straight on comments made by my colleague, the gentleman from Texas [Mr. PAUL] for whom I have the greatest personal respect for his integrity, his genuineness and his sincerity. It just happens, however, that he is wrong in what he just said to the House.

There is no tax increase in this bill. There is the closing of a corporate loophole, which I would think would appeal to my friend from California, to prevent the unintended use of the code in such a way that the Congress never believed it would be used. We are closing that loophole and we are gaining revenue from that.

That is the appropriate thing to do. We will continue to do that under my stewardship of the Committee on Ways and Means wherever we find it in the code. It is not a tax increase. It is a removal of an unintended abuse of what Congress intended when they passed a provision in the code.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I am just amazed at the effort by my Republican colleagues, the Republican leadership, the Speaker, to continue this effort to chip away at public education, not prioritize public education, and put all the emphasis on private education and private schools.

This is just another example of it. These private education savings accounts proposals are not going to do anything to improve the public schools. There is no way you will convince me of that. It is just another tax break for wealthy Americans to help them pay for private schools.

I think that the point really here is that whatever amount of money, whatever pot of money is being generated here or being saved here, however we want to characterize it, should be used for public education to improve our public schools.

My colleague, the gentleman from New York [Mr. RANGEL] has a proposal, a substitute amendment that would take this money and instead of putting it to private schools from K to 12, the money would be used to help pay the interest on bonds that school districts could use to renovate their schools, to build more schools if they are overcrowded, to use for equipment in the public schools, to use for teacher training. What the Democrats have been saying over and over again is, yes, our public schools are good in most places. They need to be improved.

If we are going to spend Federal dollars, if we are going to set up programs where we spend Federal money, then use it to help the public schools, use it for infrastructure, use it for teacher training, use it so they can hook up to the Internet. Do not start to emphasize and put all the priority on voucher systems and savings accounts that primarily encourage people to go to private schools. That is not the American way.

If people in this country decide they do not want to take advantage of the public education system or do not want to participate in the public education system, that is their prerogative. But then let them spend their own money. I have to say, I agree with the gentleman from California [Mr. STARK], that this is primarily something that benefits the wealthy. I do not think

that we should look at it primarily that way, but it does benefit the wealthy. I agree that this is primarily benefiting the wealthy. There is absolutely no question about that.

If we look at the chart, the information that is provided by the Treasury Department, overwhelmingly this is going to benefit people in the higher income brackets. That also makes it unacceptable. But I want to stress that over and over again what we are hearing from the Republican side of the aisle is to give up essentially on the public schools. Let us find different ways, whether it is vouchers in the District of Columbia or it is this private school education savings account, let us find ways to encourage people and help those people who want to send their kids to private schools. That is wise use of Federal dollars.

There is a lot of innovation taking place in public schools. There is a lot of examples where public schools have done things to improve basic skills, education, teacher training within the public schools. Let us encourage those things with the small amount of Federal dollars that we have. Let us encourage innovation in public schools and let them improve public school education in this country. There is absolutely no reason to go this way.

Mrs. MYRICK. Mr. Speaker, I yield myself 10 seconds for a point of clarification for the distinguished gentleman from New Jersey. We are not talking about taxpayer dollars. We are talking about savings accounts that can be used to pay expenses at either public or private schools. It is not going to siphon off any money from public education.

Mr. Speaker, I yield 3 minutes and 30 seconds to the distinguished gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I would like you to read Karl Marx and Engels Communist Manifesto because in there the No. 1 creed is class warfare and you see it over and over and over again. The gentleman from California says the Republican plan, the Republican plan.

Fact: The average school in Washington, DC is 86 years old. The roofs are falling apart. They canceled their schools. They are even concerned about putting heat in it. But yet does the gentleman want to get the maximum amount of dollars into the schools? No. He will support the unions.

We wanted to waive Davis-Bacon, which will save 25 percent and invest in the schools to give teachers more money to build the infrastructure up for our schools. But yet the precious union gives money to the DNC and the DNCC illegally, and it is before this Nation right now. He puts a liberal spin on Republican plans. We want to get the money down to the teachers. We want to get the money to the classrooms. We want to get it into the infrastructure. Yet the liberal Democrats have cut education over the last 30 years. Let me give a couple examples.

We get less than 48 cents out of every dollar down to the classroom because of the big bureaucracy in Washington, DC. The President's direct lending program, according to GAO, costs $6 billion more to administer. That is when it was capped at 10 percent, 6 billion, because the liberals want the Department of Education to control education just like Karl Marx and they do not want the money going down there. They wanted it to rest in River City so that they have control with their unions.

We want the money to get to the kids, less than 48 cents out of every dollar. The President wanted a new $3 billion literacy program. There are 14 literacy programs in the Federal education system. Is it not fair to say, which of the 14 do we want? Let us fully fund them and let us put the money in? No. The liberals would say, we are cutting education, even though we are giving the parents, the teachers and the zip code, the local district, the money.

What this does, it allows parents to make that decision. In Washington, DC the average cost is $10,200 per child. Yet did they support a system to where individuals, poor children, if a mother or a father or both said that their children are in an area where they are not getting a good education or they are being threatened because of crime and drugs, can they move?

There are 20 Members that live in Washington, DC. Not a single one send their children to DC schools. They send them to private. Do you know that the cost is less than $3,000 versus $10,200. But yet, the liberals want big bureaucracy. They do not want the money going down. I am sick of class warfare. If we really want to help education, drive it down to the parents, give it to the teachers and give it to the infrastructure, not their precious unions.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

The gentleman who just spoke of course is all over the ballpark in terms of his comments. I will try and pick and choose a few of those to respond to. It would be impossible to respond to everything that he has said. But he talked about illegal campaign contributions.

I would remind the House once again as I have before, the only Member of this House who has been convicted during this Congress of violating the campaign laws is a Republican Member from the State of California. The only Member of this Congress to have been convicted of violating our campaign laws is a Republican Member from California who pled guilty to taking more than $200,000 of illegal corporate contributions.

The gentleman has raised some other points. He was all over the ballpark, but I would like to respond to as many of these things as I can. Second, the gentleman talks about wanting to help parents. This particular piece of legislation, as I pointed out earlier, is a sham. The person who works on the assembly line at the General Motors plant in my district in Arlington, TX, who may make $40,000 working the assembly line, that person would get a $7 tax savings from this. The person who lives in the inner city in my district in Dallas, a Hispanic family who may want to send their children to the local parochial school, may earn, say, $30,000 a year, they would get a $2 tax break under this bill. The family who lives in one of my rural communities and who may want to send their child to a private school and who, say, earns $35,000 a year, might get a $7 tax break under this. This is a sham piece of legislation.

This legislation is designed to benefit upper middle class constituents who live in the suburbs and who want to send their kids to private school. This does not help the person who works on the assembly line. This does not help the person who lives in the inner city. This is designed for a very narrow targeted group of people who are going to get all, virtually all the benefits under this plan.

I am trying to respond to as many of the varied things that the gentleman said. The gentleman from California was concerned about infrastructure. We have a substitute offered by the gentleman from New York [Mr. RANGEL] that would provide money for infrastructure. It is exactly what we ought to be doing. We ought to be providing money to rebuild our schools, to put new roofs on our public schools, to rebuild them. The Rangel legislation, which would be a substitute to this ill-conceived bill, would do exactly that.

The other side has quite a bit of time left. I would at this time reserve the balance of my time. In a moment, I will yield to the gentleman from Texas when it is back to us, but I am sure the other side could yield time to the Republican Members from California who seek time because they have about the same amount of time left that we do.

Mrs. MYRICK. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, the gentleman stated that the only person in this House, what he did not state is in the White House, in the Times and in the Post today it goes through where the White House campaign manager pleaded guilty, two of them, to laundering money from the unions to the DNC and that is in both papers today. They have already pled guilty. There is no doubt about the unions' attempt through the Carey Organization to launder money through the DNC into the Democrats' campaign coffers. Fact.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

To respond to the gentleman, he invoked the House campaign committee. He mentioned the Democratic Congressional Campaign Committee. He invoked Members of the House. That is why I made the point that the only

Member of the House of Representatives who has been convicted of violating the campaign laws during this session is a Republican Member who took more than $200,000 in illegal corporate contributions.

Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I have spoken on this before, but after hearing the gentleman from California, I wanted to address something. I think he was all over the ballpark. He made a comment about 20 Members of Congress who reside in Washington, DC and do not send their children to public schools. My children have been both in public schools and private schools. But the fact is, this bill, as I mentioned earlier, would entitle many Members of Congress, except those who have other income that exceeds the $160,000 limit, this is giving a tax break not only to people who make $160,000 a year, but to Members of Congress, including the ones that live in the District of Columbia. I have not talked to any Members of Congress who are asking for a tax break, but that is what this bill does.

The gentleman also says that this is designed to get the money to the teachers. It is not going to do that. This is designed to give a tax break to people who have disposable income that they can set aside along with the income they set aside for other savings to help pay the cost of sending their kids to private school. Let us just be honest about what we are doing here. It is fine, if Members are for it, fine, but let us be honest about it. Let us not paint this beautiful picture about what it really is not. Let us be honest about what we are doing here.

□ 1200

So I think we need to clarify these points and understand that this is a tax break that we are giving.

If we really want to help, if we really want to help, the other plan was to provide a $2,500 stipend, I believe, to some kids in Washington, DC, to go to private school. And if the gentleman says, well, the cost is $10,200 on the average, well, why not provide them the $10,200, if that is the goal? Bring that legislation.

And maybe we should get a little more honest in how we debate legislation here. Let us figure out how we are going to pay for it. I know California's Governor and the other gentleman had a concern about the voucher system in California. But the fact is that these are just tidbits that are being handed out.

The gentleman makes a very valid point, the assembly line worker in his district or my district does not get the same benefit because it is a deduction, and they do not have the same amount of disposable income as a Member of Congress or someone who earns up to $60,000 a year. Let us be honest

Mr. RIGGS. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from California.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for yielding, and just want to point out to him that folks are investing after-tax dollars in these education savings accounts. That is after paying State income taxes, Federal income taxes, real property taxes and personal property taxes; all after-tax dollars. So we should keep that in perspective.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I came here to talk about improving education in America and I find myself caught up in a debate on class warfare. It is unfortunate.

Just to reflect back, we had a mayor in the city of Syracuse, a Democrat, who always reminded us that the Democrats were the party of the poor and the Republicans were the party of the rich. He went to jail for 14 years for operating a kickback scheme. But the fact is there were always Volvos and Cadillacs and Rolls Royces in front of city hall, operated by the mayor and his friends, the Democrats, the party of the poor, while the Republican councilmen were out driving Chevys and Plymouths. So it is bunk. Let us put it to rest. There are people of good will in both parties.

The debate here is about the future of education in this country. This debate is about whether or not to improve education by creating competition. It is about empowering parents to make the best choice with their hard-earned dollars to spend on their kids' education. What do we want for our kids? We want them to have a life better than ours. Let us give them every opportunity.

The liberal Democrats, and by the way they are not all liberals anymore, thank God, their way has been to tax people to death and then give the money back. This is exactly what the substitute that they are offering says: Tax people to death, then give them money back with strings attached and basically tell them how to use that money.

Our way is to let parents make that decision on how and where their kids will be educated, private or public schools. Let us not forget that those parents are paying public property taxes to support public schools anyway.

Let us give poor and middle-class families the same opportunity to send their kids to the school of their choice just as our wealthy President, President Clinton, has the option to send his child to a private school.

This is not about rich versus poor; this is about the future of education in this country. And let us make parents, rich, poor or middle class, let us give them all the same choice that just the rich people have now.

Mr. FROST. Mr. Speaker, I yield myself 2 minutes.

The gentleman makes a fine statement, the problem is he ignores the facts. The facts are that poor and middle-class families get almost nothing under this plan. It only goes to upper middle-class families. A family earning up to $17,000 a year gets $1 in tax savings under this bill; a family earning between $17,000 and $33,000 a year gets $2 in tax savings; a family earning between $33,000 and $55,000 a year gets $7 a year in tax savings under this.

This does not help poor and middle-class families send their kids anyplace. This benefits upper middle-class suburban constituents. We ought to be honest about this. We ought to be clear about who benefits under this bill and who does not benefit, that is the only point I am making.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, the gentleman is consistent in his argument against school choice, but inconsistent in his argument on who should benefit.

Is the gentleman opposed to the idea of providing scholarships for poor families in Washington, DC?

Mr. FROST. Mr. Speaker, reclaiming my time, I am opposed to using tax money to send kids to private schools in Washington, DC; that is correct.

I am only asking that when Members on the other side argue in favor of this bill they should not pretend that this bill helps lower income and middle-class families because it does not. I am only asking they be honest in their statements.

Mr. RIGGS. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from California.

Mr. RIGGS. Mr. Speaker, I just want to go back to the point I made earlier; that, again, the folks investing in these accounts, and the gentleman should correct me if I am wrong now in his interpretation of the bill, have already paid Federal and State income taxes, they have paid real property taxes, they have paid personal property taxes, and a good portion of those taxes will go to support public schools. All public schools for all children. And that the money that they are investing in these education savings accounts are after-tax dollars; is that a correct statement?

Mr. FROST. Mr. Speaker, reclaiming my time, I would be happy to respond to the gentleman. Clearly that is the case. They are just not getting anything out of this, unless they happen to be wealthy.

This does not help lower income and middle-class families. The gentleman is correct, it is after-tax dollars. It just does not happen to help most of the families in the country.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Speaker, I thank the gentlewoman for yielding me this time.

As the chairman of the Subcommittee on Early Childhood, Youth and Families, otherwise known as the K–12 Education Subcommittee, I rise in strong support of the rule and in strong support of this legislation allowing parents and families and, for that matter, concerned third parties to create and invest in education savings accounts.

Now, I want to point out that this is one of several Republican-sponsored education initiatives that will give parents more freedom and more control. And I understand, if we can advance the argument for just a moment beyond class warfare and the politics of envy, I think I understand why that is so threatening to the other side and why they so strongly oppose this legislation.

They seem to be motivated by fear. They are reactionary. They are concerned and threatened by the growing effort to infuse more competition and parental choice into our school system in response to the demands on the part of education consumers, parents, and guardians.

They oppose parental choice because they are carrying water, let us be clear about this, for the National Teachers Unions, the core constituency of the National Democratic Party. They oppose parental choice because this threatens the education establishment's monopoly of financial control over our schools.

So it makes no difference whether we are talking about the legislation we did a couple of weeks ago providing opportunity scholarships to 2,000 District of Columbia children, those children, by the way, gentlemen, are children in poor families, the poorest of the poor, children who are trapped in failing or unsafe schools, as we have already heard.

Next week we will have a bill out on this floor that I cosponsored with a Democrat Member of this House, the gentleman from Indiana, [Mr. TIM ROEMER], very bipartisan effort, to expand public school choice through the creation of more charter schools, again giving parents more choice in the public school system.

It will be very interesting to see how the distinguished Members who have spoken against the education savings account, how they will vote on this matter, because in committee 10 Democrats supported the legislation but 8 voted against it.

We will also try to bring legislation here to the floor called HOPE scholarships that will expand on the proven success of giving parents in the cities of Milwaukee and Cleveland, expand that proven success nationwide, so that those very low-income parents, those same families that my colleagues profess so much concern for will have the opportunity, through taxpayer-funded scholarships, or tuition grants, to send their children to another school.

Why are we doing this? Because we fundamentally believe that every single parent should be able to select the best, most appropriate education for their child. And with these education savings accounts, I point out again, they are investing after-tax dollars. After they have paid all of their Federal, all of their State taxes, a good portion of which goes to support public education, all schools, all children.

And to the gentleman from Texas [Mr. FROST], I do not think he can deny that particular argument. So more freedom and more control because, after all, for parents, it is their money, it is their children, it is their future.

Mr. FROST. Mr. Speaker, I ask the time remaining on each side so that we know where we are.

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from Texas [Mr. FROST] has 5½ minutes remaining; the gentlewoman from North Carolina [Mrs. MYRICK] has 4¼ minutes remaining.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. STARK], a member of the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, we have heard words here this morning about labor unions and bureaucracy and liberals, and I am willing to stipulate to my colleagues on the other side of the aisle that I am a liberal. More than half of the families in my district have a labor union member in their household. They work with their hands; they work on their feet, something that many of my colleagues on the other side of the aisle have had very little contact with in their lifetime. They work hard and they make very little money. They are in the vast majority in this country, and they are not getting any benefit from this bill.

Let us leave education aside. Many of them, a majority of them, they send their children to parochial schools, wish they had the money to send them to private schools if they could find scholarships. But the fact is that less than 6 percent of the wealthiest Americans will get anything out of this. So it is those labor union people, those hard-working public schoolteachers, who the Republicans would turn their backs on and cut their salaries and deny them increased funding, that I am proud to support.

I am proud to support the working Americans in this country who are getting nothing out of this except to have their hard-earned dollars drained so that the very rich Republicans, and if that is class warfare, let it be. Because it is when the class wakes up who is paying the freight for these huge deductions for the millionaire, billionaire Republicans who are getting the benefits that they are going to understand that the people in charge of this House are stealing the money from the hard-working Americans and frittering it away to the idle rich.

So if my colleagues are rich enough to have inherited money, if they are rich enough to have never had a real job in their life, if they know nothing, I hear all these guys talking about the market and free enterprise. Most of them have been at the public trough all their lives and never had a job in public industry.

So I say I am proud to be a liberal, proud to represent the working men and women of this country who will get no benefit from this bill.

Mrs. MYRICK. Mr. Speaker, I yield 2½ minutes to the gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, I thank the gentlewoman for yielding me this time.

As a Member of this Congress who worked hard all my life in the restaurant business and the travel agency business and the real estate business, I am proud of the taxes I paid and the common sense that I bring to this Chamber.

My father just retired, after 20-some years, as a principal in a public school. So I care deeply about public education. I grew up in it and around it and graduated from it. But the notion somehow that the assembly worker is not going to be able to make a prudent investment decision with his IRA and earn more than $7 tax-free interest in a given year is ludicrous. That assembly line worker could invest appropriately in a mutual fund and have higher earnings enabling himself to educate his children.

Now, we hear all the time about these taxpayers, these wealthy individuals who, yes, are paying higher property taxes in their communities, who are paying higher real estate and public school educational costs, who are paying higher payroll taxes, who are paying higher IRS taxes and who are not going to have any of those funds removed from public education due to this bill. But, in fact, they are going to be having an opportunity to help educate their children of all economic structures.

Let us talk about some of the benefits of the bill that may happen if somehow some parent decides that they may choose a public, a private or a parochial school. If they choose one of the two, private or parochial, lower construction costs for public education because of fewer students. Fewer teachers, because fewer students will be in that classroom. Fewer books to pay for. Fewer security guards. So lower cost to the public taxpayers due to this innovative proposal.

But let me also suggest that there is a bit of irony today on the floor, because the gentlemen from Texas, who rise repeatedly to object to this bill, voted for a very similar provision in a recent tax bill passed by this very Congress that allowed for an IRA for educational costs for higher education. Both gentlemen from Texas voted for that provision.

And this is not any different. But it is giving parents a chance to save money, and that is something we should be proud of in America, that we

are encouraging savings. We read in every magazine that there are fewer and fewer savers in America saving their funds for the future.

□ 1215

Finally, we are earmarking a chance for people to save those dollars for the very best intention, and that is the education of our children, to give them a future in which to earn a living and hopefully after hard work like myself, be able to be a Member of this Congress and contribute constructively to the debate regarding these types of programs.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding. I do not want to get into the debates of saving patterns and the economic data on that, but let us talk about a couple of things. Let me say, personal property taxes, which we do not have in Texas, State and local taxes really are not of our concern at the Federal level. We should leave up to the State and local governments to decide how they want to fund public education. I think we all agree with that. But let me put again back in perspective my concern about this. I will talk about my public sector experience, not when I was in the private sector as a banker. When I was a staffer on the Hill and I made $25,000 a year, I would not have as much disposable income like the staffers on the Hill to do that to set aside. But now as a Member of Congress making $133,000 a year, under this bill I would have more disposable income, therefore, I have more income to invest, whether it is a prudent investment or not. But just the fact of having more principal to invest, I should get a greater return and have more income. That is the biggest point about this. It is a question of who has the greatest amount of disposable income. You have got it backwards in this bill. If you really want to go in and say we are trying to help the middle class and lower middle class rather than helping the Congressmen who make $133,000 a year but trying to help the staffers, do a credit, reverse it, but it does not work the way you are doing it.

Mrs. MYRICK. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, we hear in this body over and over that the liberals represent the working person. They represent the union, which only accounts for 6 percent of the work force in this country. Ninety-four percent of the jobs in this country are nonunion. So if you support the working men and women, get rid of Davis-Bacon, get rid of the inhibitors that kill jobs in this country. I do not think we ought to tax savings. I do not think we ought to tax works but consumption. That is a different bill. But we should not tax savings, savings of any American regardless of their income level when it goes for education of the children.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume. This piece of legislation is a sham piece of legislation. This does not help lower income people in the inner cities. This does not help middle-class people no matter where they live, whether they live in the cities, the suburbs or in rural areas. This only helps one class of individuals, upper income constituents who live in the suburbs and who send their kids to private schools. This helps people who earn between $93,000 and $160,000 a year. We can debate whether there ought to be any type of help for people who send their children to private schools. That is a separate issue. This is a narrowly targeted piece of legislation that does not help any hard-working individual in the middle class send their children to private school if they choose to send their children to private school. It should be accurately advertised and accurately presented. We should not be telling the public that we are doing something for them that we are not doing for them. We are helping one very narrow category of person who chooses to send their children to private school. This is a bad piece of legislation. I support the rule because it does make in order a substitute to be offered by the gentleman from New York [Mr. RANGEL] which will permit us to get on with repairing the infrastructure of the public schools in this country. I urge adoption of the rule, I urge adoption of the Rangel substitute, and if the Rangel substitute is not adopted, I urge defeat of this bill on final passage.

Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 287, nays 135, not voting 11, as follows:

[Roll No. 522]

YEAS—287

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeLay
Dellums
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Foley
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennelly
Kildee
Kim
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Livingston
LoBiondo
Lucas
Manton
Manzullo
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntyre
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanchez
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—135

Abercrombie
Ackerman
Allen
Andrews
Barcia
Barrett (WI)
Becerra
Berry
Blagojevich
Bonior
Borski
Boswell
Boucher
Brown (FL)
Brown (OH)
Cardin
Clay
Clyburn
Conyers
Costello
Coyne
Cummings
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Edwards

Etheridge	Luther	Rush
Evans	Maloney (CT)	Sabo
Fattah	Maloney (NY)	Sanders
Fazio	Markey	Sawyer
Filner	Martinez	Scott
Foglietta	Mascara	Serrano
Frank (MA)	Matsui	Sherman
Furse	McDermott	Slaughter
Gejdenson	McGovern	Smith, Adam
Gephardt	McHale	Stabenow
Green	McKinney	Stark
Gutierrez	McNulty	Stenholm
Hastings (FL)	Meehan	Stokes
Hefner	Meek	Strickland
Hilliard	Millender-McDonald	Stupak
Hinchey	Miller (CA)	Tanner
Holden	Minge	Taylor (MS)
Hoyer	Mink	Thompson
Jackson (IL)	Nadler	Thurman
Jackson-Lee (TX)	Oberstar	Tierney
Jefferson	Obey	Torres
Johnson (WI)	Olver	Towns
Johnson, E.B.	Owens	Turner
Kanjorski	Pallone	Velazquez
Kaptur	Payne	Vento
Kennedy (RI)	Pelosi	Visclosky
Kilpatrick	Peterson (MN)	Waters
Kind (WI)	Pickett	Watt (NC)
Kucinich	Poshard	Waxman
Lantos	Rivers	Wexler
Lewis (GA)	Rodriguez	Weygand
Lipinski	Roemer	Wise
Lofgren	Rothman	Woolsey
Lowey	Roybal-Allard	Yates

NOT VOTING—11

Bliley	Flake	Linder
Brown (CA)	Gonzalez	McIntosh
Cubin	Harman	Schiff
Dingell	Houghton	

□ 1241

Ms. McKINNEY and Mr. STUPAK changed their vote from ''yea'' to ''nay.''

Messrs. RANGEL, RAHALL and McINTYRE changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

CONSIDERING MEMBER AS FIRST SPONSOR OF H.R. 616

Mrs. KELLY. Mr. Speaker, I ask unanimous consent that I may hereafter be considered as the first sponsor of H.R. 616, a bill originally introduced by Representative Molinari of New York, for the purposes of adding cosponsors and requesting reprints pursuant to clause 4 of rule XXII.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 274, I call up the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SUNUNU). The bill is considered read for amendment.

The text of H.R. 2646 is as follows:

H.R. 2646

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 ''Education Savings Act for Public and Private Schools''.

SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) QUALIFIED EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified education expenses' means—

''(i) qualified higher education expenses (as defined in section 529(e)(3)), and

''(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.''

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

''(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tuition, fees, tutoring, special needs services, books, supplies, equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

''(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

''(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.''

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking ''higher'' each place it appears in the text and heading thereof.

(b) INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking ''$500'' and inserting ''$2,500''.

(2) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking ''$500'' and inserting ''$2,500''.

(B) Section 4973(e)(1)(A) of such Code is amended by striking ''$500'' and inserting ''$2,500''.

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph 1 of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: ''The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking ''The maximum amount which a contributor'' and inserting ''In the case of a contributor who is an individual, the maximum amount the contributor''.

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

SEC. 3. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied (other than with respect to severance pay) without regard to the result reached in the case of Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue, 107 T.C. 271 (1996).

(b) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

The SPEAKER pro tempore. Pursuant to House Resolution 274, the committee amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part 1 of House Report 105–336, is adopted.

The text of the committee amendment in the nature of a substitute, as modified by part 1 of House Report 105–336 pursuant to House Resolution 274, is as follows:

H.R. 2646

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 ''Education Savings Act for Public and Private Schools''.

SEC. 2 MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal revenue Code of 1986 is amended to read as follows:

''(2) QUALFIED EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified education expenses' means—

''(i) qualified higher education expenses (as defined in section 529(e)(3)), and

''(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)) but only with respect to amounts in the account which are attributable to contributions for any taxable year ending before January 1, 2003, and earnings on such contributions:

Such expenses shall be reduced as provided in section 25A(g)(2).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.''

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

''(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tuition, fees, tutoring, special needs services, books, supplies, computer equipment (including related software and services) and other equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

''(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

''(C) SCHOOL—The term 'school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.''

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking ''higher'' each place it appears in the text and heading thereof.

(b) TEMPORARY INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking ''$500'' and inserting ''the contribution limit for such taxable year''.

(2) CONTRIBUTION LIMIT.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

''(4) CONTRIBUTION LIMIT.—The term 'contribution limit' means $2,500 ($500 in the case of any taxable year ending after December 31, 2002).''

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking ''$500'' and inserting ''the contribution limit for such taxable year''.

(B) Section 4973(e)(1)(A) of such Code is amended by striking ''$500'' and inserting ''the contribution limit (as defined in section 530(b)(4)) for such taxable year''.

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph (1) of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: ''The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking ''The maximum amount which a contributor'' and inserting ''In the case of a contributor who is an individual, the maximum amount the contributor''.

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

SEC. 3. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied without regard to the result reached in the case of Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue, 107 T.C. 271 (1996).

(b) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHODS OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the next amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment specified in part 2 of the report, if offered by the gentleman from New York [Mr. RANGEL] or his designee, which shall be considered read and debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas [Mr. ARCHER] and the gentleman from New York [Mr. RANGEL] shall each control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

□ 1245

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 2646.

The SPEAKER pro tempore (Mr. SUNUNU). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I was reading in the paper yesterday that our schoolchildren are unable to demonstrate a basic knowledge of science. The article said that more than half of the fourth graders who recently took a national science test could not even identify the Atlantic and Pacific Oceans.

This is more than troublesome. If America is to remain competitive in the global arena, an arena whose battles are often fought with science and technology, we need to see that our children have the mental tools they need to succeed.

In the balanced budget bill, we gave the parents the help that they need by college IRA's, IRA's to make college more affordable with the same income caps, the same levels as are in this bill. Today we extend that same type of help to parents with younger children in K through 12, elementary and secondary education. The legislation we consider allows parents, grandparents, and others to put up to $2,500 a year in education savings accounts where it can grow tax-free, and be used for a wide variety of educational uses.

The bill is one of the best things, in my opinion, to happen to education. It is good for public schools, it is good for private schools, it is good for parochial schools, and it is good for home schooling. But most importantly, it is good for students everywhere, and that means that it is good for America's future.

An estimated 14.3 million Americans will sign up for these accounts by the year 2002, and 75 percent, and I accentuate this, 75 percent of those families will have children in public schools. Here is how it works. If a child in public, private, or home schooling needs a tutor for science or for any other subject, a parent can tap the educational savings account. If a child in public, private, or home schooling needs books or supplies, a parent can tap the account. If a child has special needs, and our heart and help should go out to those children who are in special need, which often spans a lifetime, a parent can use the account. If a parent needs to provide transportation so a child can attend a good school, the account may be tapped.

I cannot think of anything more important to the American people than their children and their children's educations. While this bill may not guarantee that fourth graders will know the location of oceans, it will help their parents improve the education opportunities. Is this bill a panacea for all of our education ills? Of course not. But we should not wait for the day when we have a magic solution to all of the ills, we should do what we can at this moment. This is a can-do proposition.

Mr. Speaker, this concludes my remarks, but I take a moment to inform the Chamber that the gentleman from Illinois [Mr. MANZULLO] asked to be included as a cosponsor of this measure, but was inadvertently left off the cosponsor list.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I rise in opposition to H.R. 2646, Mr. Speaker. Mr. Speaker, let me join with the leadership of the House in stressing how important it is that we allow our young people to get access to a decent education as soon as we can. Mr. Speaker, when we dream about the economic opportunities that will be had for Americans, and those people that we intend to trade with in all parts of the world, one thing we take for granted is that academically our young people will be able to get the training in order to participate in what is going to be for history a revolutionary and exciting time.

Yet, we go to that bargaining table with 1.6 million people in jail. God knows, I believe if you violate the law,

justice should take a hand and you should be removed from society. But why is this number of people continuing to explode? Why is it that 80 percent of the crimes are not violent? Why are they all drug-related? Why are all of the people in jail illiterate, unemployable? Why do they all seem to be coming from communities where the school system has failed?

The answer has to be because it is out of these communities that there is no hope, there are no dreams, there are no opportunities. Life really does not mean that much, and jail is no real, serious threat. So now our country finds the U.S. Congress interfering with local schools by suggesting that we need more prisons than we need schools. It is sad, but that is how it is going to be recorded. Local and State governments are involved in prison-making, not making students prepared in order to get a decent education.

Even our great President targeted colleges, and we are now trying to find some bridge to go from before school to be prepared for college. So I can see how Mr. COVERDELL could respond to a tax initiative and say, let us make more money available for people to just spend, if they can find some reason to spend that money on a child before they go to college.

I think that we cannot even call it an educational bill, because soon we will see that there is no education attached to this. It is bad tax law, because soon we will see that if we are looking for simplification, tell me what a taxpayer is going to have to put on the sheet in order to justify that they spent this money that they had in a tax-free account on education? We are going to have to look long and hard to find any education in this bill, but we do not have to look long and hard to find a tax break in this bill.

Let us get to something that the gentleman from Texas [Mr. ARCHER] and I are working on now in a bipartisan way, the restructuring of the internal revenue system. Prior to pulling it up by its roots, we will restructure it. It is going to cost some money to restructure the Internal Revenue Service. Any decent American politician that wants to get reelected had better prepare some kind of way to get a good knock in there against the Internal Revenue Service. It is going to be good this year, and it will be better next year.

So in order to restructure it, we need some money. We have come up with the money, at least the majority have, to pay for that. So I was surprised in asking the question, how are we going to pay for the education savings account? Guess what, we are going to use the same money. No, do not tell me we cannot use the same money to pay for two things, if it is the same amount of money. We are Ways and Means, we know that much. Which one do we want to fund out of this one source of money, Coverdell, or the restructuring of the IRS? We do not know, but we will spend the money on the first bill that reaches the President's desk and he signs.

Let me tell the Members this, if they are for paying for the restructuring of the Internal Revenue Service, Members have to strike down Coverdell, because if we pass Coverdell and the money is spent for Coverdell, we have no money for Internal Revenue Service. But I assume this technical point will be explained by the majority, since they able to do that well.

Let me say that what I am trying to do with my bill, which we will have an opportunity to vote for or against, is to allow the local school districts to recognize, in areas where they are failing, that they need some help. If they can successfully bring the private sector in and form a partnership in a special academy, where the curriculum is not just set by educators but by the business people, who know the skills that are going to be necessary to hire these people, we will be able with this very same money to allow them to issue bonds to rebuild the schools, to get the equipment.

But under Coverdell, all we will be able to do is say that somebody that had the disposable income of up to $2,500, or a friend of theirs that may want to give a gift to the child and put it in to deposit it tax-free, will be able to withdraw this for tutors, for babysitters, for taxicabs, for movies, for anything that they think is necessary to make that child happy.

Remember, the burden will be on the IRS, if we are able to find the money to restructure it, to prove that the money was used for an educational experience. Talk about a horror story, we are now about to hear it from Members that understand what is in this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. HAYWORTH] is recognized for 3 minutes and 30 seconds.

Mr. HAYWORTH. Mr. Speaker, I thank the distinguished gentleman from Texas [Mr. ARCHER], the chairman of the committee, for yielding time to me, and for this opportunity to come to the well and engage in honest dialogue and debate concerning the future of our children.

I listened with great interest to my colleague, the gentleman from New York, the distinguished ranking member, and listened also as he outlined literally the horrors that confront American families today in so many neighborhoods, including the neighborhood and the community that my colleague from New York represents.

What we have here today, Mr. Speaker, is a historic opportunity to help those families, to help those parents seize control of the money they earn to direct an education in the way they see fit, whether it is choosing a school that the parents and family and others believe is best suited for the education of that child, or seeking outside help, remedial tutoring or extra-educational aid, such as textbooks or computers; to have a savings account, a tax-free interest-bearing account to put the control back in the hands of American parents. For those people should literally hold the destiny of their children in their hands, and this affords those parents the chance.

Mr. Speaker, we have made great strides in allowing these educational accounts for college-bound students. Why, then, would we deprive children from kindergarten through the 12th grade of the same opportunity?

Mr. Speaker, I would point out a special provision of this bill that I believe is vitally important, an ability for parents of children with special needs to look beyond the chronological age to continue to have money in these accounts to help those children.

Mr. Speaker, one of my first cousins has Downs syndrome. My uncle and aunt were blessed that they lived in a community with a school district with the ability to help educate children with special needs. But the challenge is for parents of children with special needs that, in our situation today, quite literally many of those parents are at the mercy of the local school districts in terms of quality of education.

Mr. Speaker, when we adopt this bill today we do not leave any parents, but especially those parents of children with special needs, literally at the mercy of the accident of geography, and where they happen to live in a school district.

What we have, Mr. Speaker, with this bill, and I urge its passage and the creation of these special savings accounts, is the chance to give families the opportunity to make the choices to help benefit their children. I urge passage of this bill.

□ 1300

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, so that we can make certain that we confine our remarks to what is in the bill, does the gentleman have any idea where a child with special needs would be in the bill before us? I would urge the gentleman, please, not to place his arguments on special needs, because there is absolutely no description in this legislation as to what is a special needs child, which means that every parent, I would like to believe, would believe that their child has special needs and there is no way in the world to disprove it.

Mr. ARCHER. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman from Arizona, I am sure, intends to be accurate, but the accuracy is this bill provides for a lifetime ability for parents

with children that have special needs, rather than a cutoff at an age limit under current law. The definition of special needs is to be done by the Treasury, and it is a part of this bill. Mr. Speaker, I say that respectfully in response to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, we do not know as we debate this bill what a special need is, but we can imagine and hope that Treasury will come up with something. And if the gentleman is talking about a lifetime, I do not know why he sunset the bill in 5 years, but I am sure he will have enough time to explain that.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, this piece of legislation is the confluence of two bad Republican ideas, one of which provides tax breaks for our wealthiest people and not for those in the middle class who truly need it, and the other is to emphasize private schools under the guise of reforming public education.

Mr. Speaker, this bill is flawed for a number of reasons. I think we will hear more about the ability, for example, to buy a car under this proposal in order to transport students to school. But it is also flawed because it puts in the hands of people making over $93,000, 70 percent of all the benefits. In other words, it could be called the Prep School Promotion Act of 1997, more than a public school reform bill.

Mr. Speaker, we ought to be putting resources into reducing class sizes, we ought to be putting resources into wiring our public schools, training our teachers. We have an understanding of what it takes to improve the infrastructure of our public school system, but we are going to take $4 billion over the next 10 years and divert it to people who would like to perhaps start or perhaps be subsidized in their attendance already in private institutions.

We do not really help the average American with this bill. We hold out a carrot to an industry or to some few individuals, many of whom have the capacity to already engage in educating their children privately. It is a God-given American right to do so. We do not have to be diverting our hard-earned taxpayers' dollars to those families, while our public schools across the country are lacking basics. And I do not mean just in inner cities or rural areas; in high-growth suburbs as well.

Mr. Speaker, we can make improvements in our public educational system and we ought to do it. This is a diversion and it is a travesty.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas, Mr. SAM JOHNSON, a respected member of the Committee on Ways and Means.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, has anyone noticed that the President will endorse any education initiative as long as it supports big government, like Goals 2000? Like national testing? This is the same President that threatens to veto any program that increases parental control over a child's education.

Mr. Speaker, look at this administration's track record. They opposed education block grants to States, they oppose vouchers for the poorest, poorest 2,000 children, and now they oppose this bill, which gives parents the ability to invest up to $2,500 a year in their child's education so that they can attend the safest and most academically challenging school available.

Why is the President against parents sending their children to the school of their choice? Surely he cannot believe that Washington bureaucrats are smarter than parents. And I hope it is not because he is so politically indebted to the special interests in Washington, like the National Education Association for instance, that he can no longer see what is best for America's kids.

Well, whatever the reason, Mr. Speaker, this President is wrong to oppose this bill. This bill will not only strengthen our children's future by giving the parents a tool to make sure their children can attend a school that meets their needs, needs only a parent can determine. No one can seriously argue that there is anything wrong with giving parents, grandparents, and friends the power to invest in a child's education. America's future depends on our children, and we ought to provide those parents with whatever they need to make sure that their children are the most educated, productive, and successful in the world.

Mr. Speaker, I would to urge the President to join us as we try to help parents help their children. I urge all of my colleagues here in the House to do the same. Vote for this bill. Give our children a chance to grow up to be great Americans.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, I rise in opposition to H.R. 2646. I think the credibility of the Congress is greatly injured by playing these kinds of college boy, sophisticated games around the edges of a crucial issue like education reform.

Mr. Speaker, we are showing off with college boy sophistication while we reject the common sense of the American people. They want something real done about the education reform problem. They do not want us to continue to play games. Our credibility is now down to 36 percent. I understand this Congress dropped from 40 percent. This is the reason. We are not serious here. We like to show off among ourselves.

Mr. Speaker, the voters out there clearly want decisive action on education reform and improvement. They keep saying it again and again and again. In this 105th Congress, instead of playing games, we should take advantage of this window of opportunity to do something significant. The people are saying they want a real effort by Congress to deal with the education problems.

Instead of education savings accounts and other headline-seeking tricks, we should unite in launching a bipartisan omnibus bill around the things that both Republicans and Democrats already agree on. We agree that we need more teacher training and that Federal aid would greatly help that teacher training process. We agree we need more technology in the schools; both Republicans and Democrats are in favor of giving aid for more technology.

We agree on charter schools. Instead of pushing vouchers and education savings accounts, why not unite in the areas that we agree? We are both in favor of charter schools, both parties. Why do we not move forward in some kind of way which is commensurate with the problem?

Let us understand that schools are at the core of what should be a massive opportunity system in America which will generate the kind of educated population we need as we go into the 21st century. We are the indispensable Nation. We are going to have to continue to hold on to a leadership role. We cannot do that unless we have the most highly educated population.

Mr. Speaker, let us stop playing games and let us have some real Federal aid to education that meets the common sense needs of the American people.

Mr. ARCHER. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a respected Member of the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in my area of northwestern Pennsylvania one of the biggest challenges facing the middle class is the affordability of education, and this is something that affects middle-class families across a range of circumstances. It is the single biggest barrier to the next generation being able to penetrate through and achieve the American dream.

Mr. Speaker, as a supporter of educational tax relief for all stages of schooling, I rise in strong support of this legislation, the Gingrich-Coverdale approach with education savings accounts for private and public schools.

This legislation allows parents to establish a tax-free savings account to be used for a child's education at any school from kindergarten through high school on to college. This legislation will expand the education savings account provisions included in our tax bill of this year by, first of all, increasing from $500 to $2,500 per year the maximum amount of contributions

that can be made to an education savings account; second of all, to include elementary and secondary school expenses; third, to allow corporate entities as parties to be able to contribute to an ESA on someone's behalf.

Mr. Speaker, I join my colleagues in supporting this legislation to renew our commitment to helping families afford the full range of educational expenses demanded through our children's lifetimes. There are no, to coin the term of the previous speaker, ''college boy sophisticated games'' here. This is tax relief that a broad range of families can access.

Let me say, Mr. Speaker, I realize the left wing of this body hates this proposal. They think that any resources that are diverted into private institutions, even through tax-free accounts, is a use of public funds. Mr. Speaker, I would say to my Democrat colleagues, ''Folks, it is not your money.''

Mr. Speaker, if people want to send their kids with their resources to private or parochial schools, they should be able to through this tax-free account. This is critical to diversity in education, and it is critical to restoring the American dream. I realize this provision was originally in our tax bill and it was stripped out because the President threatened to veto the entire tax bill if this was in the bill.

Mr. Speaker, today I want to say to the President, Go ahead, make our day. Veto this bill if you think it is bad for families to use their own resources to put their kids through school.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Speaker, I want to know what happened to the idea that this country invests in education. Why are we now asking parents and grandparents to spend more money on the education of their children? I think they already pay enough in taxes. The problem is that this body does not want to spend those taxes wisely. Instead of asking people to spend more money, why not look at the way we spend money?

This body spends, for every 7 cents it spends on education, it puts 52 cents to the Pentagon. So if we took $200,000 and invested in every elementary and secondary school in this country $200,000, we would come to a total of $26 billion.

Well, Mr. Speaker, guess what? This Congress gave $26 billion to pay for nine more B–2 bombers that the Pentagon did not even ask for. So it is not a question of not being able to pay for education. We should invest in education. It is a national security issue. What it is a question of is are we going to spend the money that these American taxpayers send to the Congress wisely or are we going to waste it and then have to come to them and say now it is time they divvy up some of their own money to pay for education. It is a disgrace.

Mr. Speaker, we have got to invest wisely. Every tax dollar should go to real national security: our children; their education. That is where we should be putting our money and we should not be asking through a gimmick in the Tax Code to make these parents pay for more money to the education of their children. It is a bad idea. We should vote this down, and we should vote for education every time we can and invest more money in education and less money in additional B–2 bombers that nobody needs, even the Pentagon does not want. Let us invest in America. Let us invest in America's children.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Kentucky [Mrs. NORTHUP].

Mrs. NORTHUP. Mr. Speaker, I appeal to my colleagues as a mother to support this bill. I think that we have demonstrated our commitment to education over many, many years of contributions, both State and local and Federal.

□ 1315

In fact, we have 729 programs that contribute to making educational systems in this country work better, to make sure that each child, every child has an opportunity for a good education. I think it is sort of amazing that the people that oppose this bill assume that every parent will make the choice to take their child out of public school and put them in a nonpublic school. I assume that many of our public schools are, in fact, great schools and that these parents, that many parents want to keep their child in public school. If they are not, we have got a much huger problem than what we do about these $2,500 school savings accounts. The reality is, there is not anything we can do at this level. There is not any check we can write at this level that helps each 6-year-old and each 7-year-old, each 10-year-old and each 18-year-old be successful.

Each one of my six children took unique needs, unique intervention to help them go from the beginning years of school to successfully complete school. Some of them had a terrible time with math and they needed tutoring. Some of my children needed special help in other areas. I do have special needs children. I have adopted children with diagnosed special needs and I have biological children that are dyslexic and have been diagnosed every step of the way. There is not any education program, private or public, that has met my children's needs.

I had to find the resources to provide tutoring, to provide special summer schools, to provide special opportunities for those children to be successful. Thank goodness my husband and I could find those resources. Some of those I found by going back to work myself, by making quilts and selling them to provide for those services.

This gives those parents these opportunities.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN], coauthor of the restructuring of the IRS bill that we are trying to protect the funding.

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from New York [Mr. RANGEL] for yielding me this time.

Mr. Speaker, there are many reasons to be opposed to the legislation before us. It will benefit just a few people, those who have wealth. It has very limited benefits. It diverts funds that otherwise could be available to improve education in our country.

Let me just mention one fundamental problem with this bill that I hope we all would see. That is, how in the world will the IRS ever be able to administer this bill? Look at the definition that is included for which the money in this account can be used in order to get tax preference.

It can be used for tuition, fees, tutoring, special needs services, books, supplies, computer equipment, including related software and services, that is going to be an easy one for the IRS to figure out, what software is educationally related, and other equipment. Transportation, does that include a car that one can buy for their child? Supplementary expenses required for enrollment or attendance, does that include peanut butter and jelly sandwiches for nutrition services? How will the IRS ever be able to administer this program without being completely intrusive into the lives of the taxpayers of this country?

This bill cannot be enforced. Rather than being an A plus account, these are really A slush accounts. I would urge my colleagues to reject the notion.

The good news is that this bill is not going to become law. It is not going to pass the other body and be signed by the President. We do have an opportunity today to do something for education that we can really help; that is, support the Rangel substitute. Then we can build upon the budget agreement that we reached this year and we can really put more money into education.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington [Ms. DUNN], another respected member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

I would like to respond to the comments of gentlewoman from Oregon. This Nation's value is education. We have worked to support the public education system. The problem with the public education system right now is that it is not doing the job. Every parent wants to give the best education possible to his or her children. That is why some parents are saying they are willing to pay in effect double, if they decide voluntarily to take part in this program where we set aside money that can go into an education savings accounts to purchase the best education possible for their child, K

through 12. They also continue to pay all the expenses of public education.

I know that this happens because I went through it when I was a young mother, divorced, single parent, two children, 6 and 8, determined that I preferred to send my children to a private school, really appreciated the fact that choice was involved, but could not pay for transportation. So I was in that kind of box of having to get my child to school at the same time that I started a job. I know what the feeling is in the pit of your stomach when you are late to work because you want to make sure your kids are well-protected on the school ground.

What I like about this bill is that a parent who takes the choice of school into his or her hands can say, I am going to start at age zero with my child and every year save up to $2,500 in an account just in case of emergency. In my case, my child had a specific language disability. My child needed training every single day, five days a week for 6 years at $17 an hour. That is a pretty heavy hit these days where working parents have to be in jobs all day just to make the bottom line work out.

So I think this is a great program. I admire those parents who are willing to continue to make the best education their top value. Americans of all stripes are alike in many ways. I believe that is why many Democrats have come over to us and said we want to support this legislation.

Let me just tell my colleagues a number on this legislation we have discovered, that if a parent puts money into this account from the time his child is born, by the time that child gets to high school, there can be a total, it is just a $2,000, say 7½ percent interest, $46,000 in that account plus another additional $6,000 that comes because one does not have to pay tax on the interest of the account.

Mr. Speaker, I think it is a great opportunity. It recognizes that our principal challenge, educationally, is no longer college, but to raise the standards of our grade school and our high school students. What are our choices? Our choices are do nothing and get the product that we have gotten. It is not good enough to prepare our youngsters for a global economy or we can act today by passing this bill and helping parents obtain the tools that are needed to ensure that their child, every single one of them gets the best possible education from kindergarten to college.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from North Carolina [Mr. ETHERIDGE], an educator as well as a legislator.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman from New York for yielding me the time.

Mr. Speaker, I rise today in strong opposition to this bill and to this latest attack on our public schools and, yes, on our children, their parents, and their communities. This legislation is the wrong approach to improving education for the 1.2 million children in the North Carolina public schools and the more than 45 million children all across this great Nation.

As the first member of my family to graduate from college, I am grateful to the public schools of North Carolina for the opportunity I had to get an education. They did a tremendous job for our three children. I know firsthand that public education holds the key to the American dream.

As a former superintendent elected for two terms, 8 years in North Carolina, I know what it takes to improve the public schools and to give our children the opportunity to make the very best of their God-given ability. This bill is the latest attempt to use the precious taxpayer resources that we have to subsidize private schools. It will take precious resources that we need to strengthen our schools and put it into the pockets of the wealthiest people to send them to private schools. According to the Joint Committee on Taxation, the original version of this bill would have cost the U.S. Treasury over $5 billion over the next 10 years.

That money would have been better spent helping States and localities rebuild crumbling schools, constructing new schools to relieve overcrowding. In fact, the President proposed a plan to do just that, but the proponents of this bill stripped it out of the original budget bill that passed this body earlier this year.

Mr. Speaker, I sought this office because I could not stand by and watch Congress launch attack after attack on our Nation's public schools. I saw that 2 years ago when this body stood up and said, we are going to abolish the Department of Education, we are going to do away with the school lunch programs and we are going to eliminate student loans. A member of the majority party just last week even, last month, compared our public schools, and I quote, to the Communist legacy. This bill is nothing more than an attempt to scapegoat our public schools once again.

Mr. Speaker, abandoning our public schools will not improve public education in this country. This bill is a cowardly act of surrender. Vote against this latest attack and vote for the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield myself 30 seconds to respond to the gentleman because he obviously has not read the bill.

The bill will provide assistance to families with children in public schools that is so badly needed today and public school teachers have come to me and begged for this because they say tutors are needed to help with the education of children in public schools. Seventy-five percent of the resources that this bill provides will go to families with children in public schools. Unfortunately, there is a group out there that does not want families to have any help for children who go into private schools.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington Mrs. LINDA SMITH.

Mrs. LINDA SMITH of Washington. Mr. Speaker, I thank the gentleman for bringing this bill to the floor.

I have listened to the debate here and think that sometimes you just have to go back to the original bill to remember what it is because we lose track in the debate. The education savings account for public and private schools allows parents and grandparents like me to open an account for each of my grandchild's education that can be used only, only the interest, the principal I still pay taxes on, but the interest can be used for a child's education needs while they are in school, for private school, just the interest, if their parents should choose, and from kindergarten through college. The $2,500 a year that I would put in each of the children's accounts as a grandparent, allowed under this bill, can be put in until they are 18 years old.

If I take the money out that is now being used in our economy because savings is good for our economy, I have to pay a penalty on that. There is a great incentive for me to save for my grandchildren's education, not as great an incentive as an IRA where you can deduct the base $2,500 from your taxes, but a great incentive because I can save interest free for my grandchildren. As long as they spend the interest on college education, no one pays tax on the interest.

This is not an attack on anything. It is a way of families getting involved in their kids' education. The great part about it is we know by all research families involved in their education gives the best education for children. Moms and grandmas making the choices gives the child the most personal education.

I also wanted to say that as a grandma, I look at what is ahead for my grandkids. I do not want them to have to choose a public opportunity only. They might want to choose a private college. But if they do choose a public college, I would like to have them have options.

With this, I want to encourage Members to look back at the bill and realize, this is a very good step toward reform and grandparents in America will like it.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to say that the gentlewoman really did explain this bill in a very accurate way, in that I just wish I could better understand that if one puts the money in an account and one can spend the interest on that account and one does it for their child and their grandchild and the bill is going to sunset in 5 years, my God, how much interest will ever be there for them to spend?

Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Indiana [Mr. ROEMER].

□ 1330

Mr. ROEMER. Mr. Speaker, I thank the gentleman from New York for

yielding me this time, and I rise in opposition to this legislation for three reasons: distribution, accountability, and fairness.

First of all, distribution. The Department of the U.S. Treasury has said, by analysis, that 70 percent of the benefits go to 20 percent, the highest 20 percent, of Americans. Twenty percent of the benefits go to the highest 20 percent of Americans making money in this country. Now, that is one reason.

Second, fairness. How many people making $25,000 a year, with their children in public schools, are going to be able to save $2,500 a year and benefit from this? Good question. Maybe not many.

But third, I think, Mr. Speaker, the main reason here is accountability. Now, I just voted for three IRA's in the tax relief bill that we passed for Americans, and I was proud to do it: An education IRA, a Roth IRA, and expansion of the existing IRA.

The education IRA can go for college tuition. We know that; the IRS knows that. This particular IRA can go for any of the following things: computers, books, supplies, equipment, transportation, and supplementary expenses. So if we want to buy measuring cups to teach our children at home about science, is that a tax writeoff?

Should the IRS come in and audit that? Is that what the Republicans are saying? Is this the Auto Relief Act of 1997? What about buying our children a car? What about putting gasoline in the car? What about driving to and from school but also going to work?

Now, do we want the IRS to look at those things? Are all those expenses or are they not? Should the IRS stay completely out of this or should they be nosing into every one of these situations?

So from a position of accountability, we can buy software, we can have services, I understand we can pay one child to tutor another of our children under this act. Let us have some accountability, folks.

If we are going to fix the IRS, as we have decided this week, let us fix it for everybody. We will do it in a bipartisan way, but with public education. What this act does is let us just fix it primarily for people making over $70,000 a year for them to drive their kids back and forth to school and buy some computers and some measuring cups.

Let us fix public education for everybody. Let us fix the IRS for everybody.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], the distinguished chairman of the Republican conference.

Mr. BOEHNER. Mr. Speaker, I thank my colleague from Iowa for yielding me this time.

My colleagues, Republicans here in the House, have begun a bold campaign to strengthen and reform our Nation's education system. We are attempting to send more dollars directly to the classrooms, trying to return control of education to parents, teachers, and local communities, and giving working class parents and poor parents new educational choices.

I think that is exactly what the Education Savings Act for Public and Private Schools does. The bill that we have today simply extends the popular and successful college education savings accounts to parents with kids in kindergarten through grade 12.

All over the country, and certainly in my district, there are lower and middle-income families who struggle every day to make ends meet. These are exactly the type of families that these accounts are intended to help. The rich, as those on the other side of the aisle like to talk about, do not have to save to pay for a tutor if their kids are not doing well in math or reading. The rich, as they describe them, do not have to save to buy a new computer. They do not have to save in order to pay for SAT prep classes or summer education camps. These things are already available to them because they have the cash to do it.

What we are trying to do is to help lower middle income and poor folks in America save the money that they can to help their children get a better education. Now, what is wrong with allowing American parents to keep more of what they earn so that they can help their children get the educational aids they need that will help them have a shot at the American dream? That is what we are trying to do today.

We provide Pell grants for students in college. Private college, public college, it makes no difference. We provide student loans for college. Private, public, it makes no difference. But as soon as we try to do something to give parents greater control over the education of their children that are in grades 12 and under, there is a big stone wall. That is because the education bureaucracy in America rises up and says no, we are in charge of that.

This bill today gives parents more choices.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan [Mr. LEVIN], a member of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, let me just answer the gentleman from Ohio [Mr. BOEHNER]. Federal control, most of the money for secondary and elementary education that is appropriated here goes for special education and compensatory education that are under the control of local school districts. So that is an effort really to debate by demonization to say that we are trying to defend a Federal bureaucracy when most of the money that is appropriated goes to school districts.

Second, the gentleman from Ohio and others say that their bill is an effort to help the working class. Look at the data. According to the Treasury Department analysis, under this bill a family with income $33,000 to $55,000 would get $7 a year help; a family $55,000 to $93,000, $32; and a family $93,000 and up would get $96, three times the family with half the income and 12 times a family with three to five times the income.

Now, if the money is already available to the wealthy family, why are we giving them a tax break?

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, does the gentleman have a copy of this? We would love to see this analysis.

Mr. LEVIN. Reclaiming my time, Mr. Speaker, we would be glad to, and I would also tell the gentleman from Iowa that we distributed, in the Committee on Ways and Means, a study by the Federal Reserve that indicated that families $30,000 to $40,000 had nonretirement investment assets of $2,500. In other words, they did not have as much money, most of them, as the amount of money that could be put in by wealthier families.

The wealthy family has that income available and those assets. And a family $40,000 to $50,000 has nonretirement investment assets, those under 35, of only $3,400. So we are saying put $2,500 a year in. Who can do that if they have assets of only $3,400 nonretirement assets?

Now, this is an effort by the majority, in essence, to cover their weak flank: education. But they are covering it by helping wealthy families and hurting public education. That is a bad idea. The Rangel idea is a much better one. Let us vote for it.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. Mr. Speaker, I thank the gentleman for yielding me this time.

The previous speaker said something about accountability and how we must have accountability in this matter. Really, accountability in this context, I think, more equates to control. On this side what we are talking about is choice, which equates to freedom. And that is the difference in this debate.

The difference is whether control is going to remain with a bureaucracy, whether it is in Washington or in a county back home. The question is who controls education: Is it a bureaucracy, an education bureaucracy, or is it parents? So accountability on this side really equates into control. Choice on this side equates into freedom.

But there is something that comes with this freedom. The freedom we are after on this side is the opportunity for parents to choose where to send their kids to school. That is our ultimate objective, or at least my ultimate objective: to allow every parent in America to choose where to send their child to school among all options available to them.

Now, I realize that the education establishment does not like that, because

they do not want to give up that control. But consider what they are after: The education folks are always trying to create little programs at the Department of Education that are supposedly going to save the day, but we all know they will fall short.

I think we are all coming to the conclusion, or I hope we are, that really the only way to educate kids is for parents to be involved. And the way for parents to be involved is to vest them with decisionmaking. Do not tell them by some formula worked out or map worked out in some bureaucrat's office somewhere where they are going to send their kids to school. Give them choice.

Give them the opportunity to go to, say, Poly Williams School, where they have to sign a contract in order to have their kids there, and then what we will have is parental involvement because they are exercising their free choice. They are buying into the school. They are participating in Johnny's education, and Johnny is going to get educated that way.

That is the change we need to bring, and I wholeheartedly support this small step toward that.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. GREEN].

(Mr. GREEN asked and was given permission to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, I thank my ranking member for yielding me this time.

Listening to the debate earlier, we all support education and all the ways we can do it, and the opportunity to help families have their children to be prepared for tomorrow, but it is frustrating, as a Member of the House, that last week the solution to the education problems was vouchers for the District of Columbia and this week it is for an educational IRA that will only be for a specific higher income.

And those numbers that the members of the Committee on Ways and Means have been talking about are reflected in a graph that I have here that shows my district, whose medium income is about $22,000, that is about the average for the country, in some cases, I believe, but it shows if an individual makes $33,000 to $55,000 their only tax break will be $7. But today we are having a special that says, OK, we are going to solve education by giving $7 back to a family with an income of $33,000 to $55,000.

I wish we had quick fixes to education problems, but we do not. It takes hard work. And there are millions of parents, teachers, and even school administrators who care and love those children and that are not looking for quick-fix gimmicks like vouchers or even this IRA.

America has always had a commitment to education, whether it be in private, parochial or in home school, or particularly where 90 percent of the students go, which is public education. This bill allows parents to set up a tax-free IRA of $2,500 per year, per child. What this proposes is that it will only let the wealthiest families participate and take advantage of it. Ninety percent of the students attend public education, yet those parents of poorer incomes or moderate incomes, under the numbers I see from the Committee on Ways and Means, they have to buy school uniforms and computers, but they cannot take advantage of this.

This is not the solution for our educational problems. It takes hard work. Let us get away from some of the gimmicks and get back to really providing quality education. Quality education in public education is our Nation's gift for our children.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM], who was former chairman of the Subcommittee on Early Childhood, Youth and Families.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from California [Mr. CUNNINGHAM] is recognized for 2½ minutes.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to thank my friend, the gentleman from New York, Mr. CHARLIE RANGEL. He is speaking to the issues. He is not using the Carl Marx class warfare, but he is really speaking to the issues, and that is refreshing, and I want to thank the gentleman for that.

Mr. Speaker, I speak as a teacher and a coach for many years. I have my entire family either as coaches, teachers, or principals in public school. Last weekend we attended the public school teacher awards for outstanding teachers, and I want to tell my colleagues, parents lauded those teachers, students lauded those teachers, and I agree that public education is the key to the future of America. I agree.

I would say another step is parental involvement. And community involvement is another very important key. I do not want to take away from that.

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My passions are national security and education. But how do we get the maximum amount of dollars to do that? That is what the issue is. I thank the gentleman for speaking to that.

One of the things we said was charter schools. The unions opposed that when it first came out, but it has proven well. We are trying to give the key to the local, to the parent, to the teachers and I would say even the families, because a grandparent, a person that earns $25,000 a year or less, if they want to save for their children's education and we do not tax that, that is good, I would say to my friend. We ought to take away that tax burden for those folks. I would say that the maximum amount of dollars my friend sponsored, how do we get, and State bureaucracy is just as bad as Federal bureaucracy. The Federal bureaucracy with the 760 programs, we only get about 48 cents out of every dollar to the classroom, out of Federal dollars. Why? Because of the bureaucracy and the paperwork. The State is just as bad. In some areas in our society, we get as little as 23 cents. Let us work for the State, the Federal, and the private and do it and let us support this bill and support the choice.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, there is nothing in this bill that gives one nickel to the teachers, one nickel to the schools, one nickel to equipment. It gives the parent, whether the kid is in private or public school, that has enough money to put in the bank an opportunity to use the interest on the money.

Mr. CUNNINGHAM. Would the gentleman say that it is wrong for a low-income parent that does want to set aside, that we ought to tax that individual?

Mr. RANGEL. I believe it is good for all parents. It has nothing to do with education.

Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. SANCHEZ].

Ms. SANCHEZ. Mr. Speaker, today I rise in support of the Rangel substitute to H.R. 2646, the Education Savings Act for Public and Private Schools. The Coverdell legislation is a Federal subsidy of private school education. Ninety percent of all the children in America go to public schools. The numbers are increasing every day. Let that be the focus of our education agenda, how to improve America's public education system.

Our schools are trying to fix their problems. For example, the majority of kindergarten through 12th grade schools in my Congressional district are overcrowded. They are continuing to succeed despite the difficult circumstances. Should we not give incentives to local school districts to modernize, to renovate their schools, to build new classrooms rather than give incentives to parents to take their kids out of the public school system?

That is why I am encouraging my colleagues to vote for the Rangel substitute. Let us do what is right for America's children. Let us make sure that a quality education is available to every student, regardless of their family income. Please vote for the substitute.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds. Only in Washington, DC, would money that is taxed on parents that comes to Washington and we say we want to go back to parents be called a Federal subsidy. Think about that. Only in Washington, DC, would somebody have the nerve to say money we take from you in taxes and give back to you in tax relief is a Federal

subsidy. That blows my mind. I think that in and of itself is the difference in this debate here today, who you trust, parents or the government.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. PETERSON].

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise today to strongly support the bill that is before us. It was one of my biggest disappointments that the budget negotiators gave in to the President and the liberal Democrats to restrict how parents and families can spend their own savings accounts on education.

I think it is un-American. The concept of an educational IRA makes so much sense. It is after-tax dollars we allow them to put away for their own families. It is an act to encourage Americans to plan and save for their own children's education, making them less dependent on government help.

What are my colleagues afraid of? That is good public policy. It is about freedom, parents and families making choices, parents and families planning for their own children's future. What is the difference between grade 13 and grade 11 and 12? Well, in 13 you can choose. In grade 11 and 12, you have no choices because the government knows better.

Let us look at Johnny and Suzie. Suzie needs a strong base because she has chosen a tough college program. Her parents, her educators realize that she may not be able to get into the program she wants. So she may choose a different public school for her senior year or she may choose a private school so she can get the preparation for the education she has chosen. Or Johnny, who just needs some help in 11th or 12th grade so he can go to college. He is right on the borderline of what colleges will accept, the colleges he wants. What is wrong with Johnny's and Suzie's parents having a right to choose?

We heard today, how can we ask families to invest in the children's education? We are not asking them. We are giving them the opportunity. There are those who said all the money is going to go to the rich. They assume that working Americans do not care about their children's future. Working Americans will save quicker than anybody, because they care about their children. Many working Americans do not have a college education, but they want their children to and they will sacrifice, and we should give them that chance. We should give parents and families the right to choose.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise as a representative of a rural district and as a deficit hawk to express my strong opposition to this legislation. It is not well thought out. For many of us, avoiding backloaded tax cuts that will cause the deficit to increase in the next century was one of the most important principles of the budget agreement.

This bill creates exactly the type of backloaded tax cut that fiscally responsible Members in both parties fought to keep out of the budget agreement. The bill reported by the committee was paid for in the 5-year budget window by an offset that produces large one-time savings in the early years. The savings drop off after the second year and the revenue loss continues to grow every year. As a result, the bill will increase the deficit beginning in the year 2000.

This last-minute transparent sunsetting gimmick added at the Committee on Rules does not solve the problem. Many of the proponents of this legislation ridiculed the President earlier this year for his budget proposal, and I agreed with your criticism. How is this different? It is not. No one believed that tax cuts proposed by the President would be sunsetted after 4 years, and I do not think anyone honestly believes that Congress will allow this provision to sunset after families have been contributing to an education savings account for several years.

Paying for legislation during the budget window while ignoring growing out-year costs is exactly the type of budget gimmick that helped produce the record deficits in the past, and returning to gimmicks to get around the budget rules is a dangerous step down the slippery slope of unraveling the budget agreement and returning to uncontrolled deficits.

If we are serious about helping our children, our first priority must be to remain committed to reaching a balanced budget and stop piling debt on future generations.

I also oppose this legislation as a Member representing a rural district with 109 school districts and as a former schoolteacher in a rural school. School choice may sound good in theory, but it does not make sense in the real world of rural America without further eroding the fragile economies in rural communities. This legislation is bad fiscal policy and even worse education policy.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, today I rise in support of the Education Savings Act for Public and Private Schools. This bill is not just about education. It is about trust and equity. If it is OK to offer a tax break to parents who want to send their children to college, then should we not offer that same advantage to parents who want their children to have a quality elementary and secondary education?

This bill does not take money away from public education. So why are opponents so afraid of this bill? Maybe they are afraid that parental empowerment and involvement in their children's education will prove more effective than empowering education bureaucrats in Washington, DC. To me, this is a simple issue. Who are you going to side with today, bureaucrats or parents?

I urge my colleagues to vote for H.R. 2646 and let America's parents know that Congress trusts them to care for their children's education.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Speaker, I rise today in strong support of the Rangel substitute. I support the Rangel substitute because the original bill is nothing more than another backdoor attempt to try and dismantle public education. I have listened to people talk about helping those with low income. My statistics suggest that low-income people in my community, who earn less than $40,000 a year, do not have any discretionary money to invest in a tax plan. They do not have any additional money that they can use for education.

I submit that public education is the only real safeguard that exists in this country for the preservation of democracy. Anything less than that, Mr. Speaker, is going against the grain, it is going against the wishes of the American people, it is going against the needs of those in middle America. I urge strong support for the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, for those who say that we are talking about bureaucracy, the amendment would indicate that all we are trying to do is improve the public school system in the areas that it is failing, if they can cooperate with the private sector to improve the curriculum and make the students more productive, to give them the skills to work with. No, we do not give away money, interest-free money to those that have this disposable income. We believe the systems that are not working should be reinforced, make them productive, make them effective and get more people out of the jails and into the workplace.

Mr. NUSSLE. Mr. Speaker, I yield myself the balance of my time.

First of all, let me answer some of the critics who have been saying that public education is not something that we support. Not only am I a product of public education, which Members can draw their own conclusions about, the good or the bad about public education just from me standing here. I happen to think it was pretty good, my kids are in public education. I support public education.

In fact, I just spent this last week of our recess going around talking to parents, talking to teachers, talking to students and administrators about the importance of public education. But

they also know that there is extra, that education now between K through 12 is not enough. We did something in the balanced budget plan called the HOPE scholarship. It is a start. What we want to do is we want to expand that, because we know particularly for people who have children with special needs that there is always extra. There is a little extra in the summer, there is a little extra after the grades are all over and the schoolhouse closes after they have graduated, we hope. There is extra that they are going to need.

I understand that there are some who say that because you are poor, you probably will not want to participate. A, that is wrong, because people do care about their kids. And, B, even if they are able to participate a little, is that not better than nothing?

I understand there is a Treasury study out there that says that it only means $10 for somebody. $10? $10 is something. It is a start. Maybe that is not enough. Maybe we ought to go further. Let us talk about going further, but let us not stop just because that is not enough for one particular family. Let us give the incentive to families so that they can meet those challenges. And let us also do it in a way that recognizes that education is a lifelong process.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose the Education Savings Act for Public and Private Schools—H.R. 2646—despite having been an original cosponsor of the Parents and Student Savings Account Act—PLUS A+—bill and having been quite active in seeking support for the original bill. I remain a strong supporter of education IRA's, which are a good first step toward restoring parental control of education by ensuring parents can devote more of their resources to their children's education. However, this bill also raises taxes on businesses and I cannot vote for a bill that raises taxes, no matter what other salutary provisions are in the legislation.

I certainly support the provisions allowing parents to contribute up to $2,500 a year to education savings accounts without having to pay taxes on the interest earned by that account. This provision expands parental control of education, the key to true education reform as well as one of the hallmarks of a free society. Today the right of parents to educate their children as they see fit is increasingly eroded by the excessive tax burden imposed on America's families by Congress. Congress then rubs salt in the wounds of America's hardworking, taxpaying parents by using their tax dollars to fund an unconstitutional education bureaucracy that all too often uses its illegitimate authority over education to undermine the values of these same parents.

In fact, one of my objections to this bill is that it does not go nearly far enough in returning education authority to the parents. This is largely because the deposit to an education IRA must consist of after-tax dollars. Mr. Speaker, education IRA's would be so much more beneficial if parents could make their deposits with pretax dollars. Furthermore, allowing contributions to be made from pretax dollars would provide a greater incentive for citizens to contribute to education IRA's for other underprivileged children.

Furthermore, education IRA's are not the most effective means of returning education resources to the American people. A much more effective way of promoting parental choice in education is through education tax credits, such as those contained in H.R. 1816, the Family Education Freedom Act, which provides a tax credit of up to $3,000 for elementary and secondary expenses incurred in educating a child at private, parochial, or home schools. Tax credits allow parents to get back the money they spent on education, in fact, large tax credits will remove large numbers of families from the tax roles.

I would still support this bill as a good first—albeit small—step toward restoring parental control of education if it did not offset the so-called cost to Government—revenue loss—by alterning the rules by which businesses are taxed on employee vacation benefits. While I support efforts to ensure that tax cuts do not increase the budget deficit, the offset should come from cuts in wasteful, unconstitutional Government programs, such as foreign aid and corporate welfare. Congress should give serious consideration to cutting unconstitutional programs such as Goals 2000 which run roughshod over the rights of parents to control their children's education, as a means of offsetting the revenue loss to the Treasury from this bill. A less than 3-percent cut in the NEA budget would provide more funds than needed for this return of tax dollars to families who seek choice in their children's educational needs.

Mr. Speaker, we in Congress have no moral nor scientific means by which to determine which Americans are most deserving of tax cuts. Yet, this is precisely what Congress does when it raises taxes on some Americans to offset tax cuts for others. Rather than selecting some arbitrary means of choosing which Americans are more deserving of tax cuts, Congress should cut taxes for all Americans.

Moreover, becasue we have no practical way of knowing how many Americans will take advantage of the education IRA's relative to those who will have their taxes raised by the offset in this bill, it is quite possible that H.R. 2646 is actually a backdoor tax increase. In fact, the Joint Committee on Taxation has estimated that this legislation will increase revenues to the Treasury by $1.8 billion over the next 2 years.

It is a well-established fact that any increase in taxes on small businesses discourages job creation and, thus, increases unemployment. It is hard too see how discouraging job creation by raising taxes is consistent with the stated goal of H.R. 2646—helping America's families.

Mr. Speaker, I would suggest that is this type of legislation—a backdoor tax increase masquerading as a tax cut—that is, in part, responsible for the widespread and ever growing disgust with this body.

In conclusion, although the Education Savings Act for Public and Private Schools does take a small step toward restoring parental control of education, it also raises job-destroying taxes on business. Therefore, I cannot in good conscience support this bill. I urge my colleagues to join me in opposing this bill and instead support legislation that returns education resources to American parents by returning to them moneys saved by deep cuts in the Federal bureaucracy, nor by raising taxes on other Americans.

Mr. BUYER. Mr. Speaker, we face a crisis in American education today. Forty percent of all 10 year olds can't meet basic literacy standards. United States eighth-graders recently placed 28th in the world in math and science skills. Two thousand acts of violence take place in schools each day, and almost a third of today's college freshmen require some remedial instructions. The education initiatives Republicans are bringing to the House floor in the next few days are an excellent start toward solutions of these problems.

Education savings accounts [ESA's] give middle- and low-income parents new education choices—public and private—to educate their children in safe and nurturing environments. Families or individuals earning less than $95,000 a year would be eligible to contribute up to $2,500 annually into an account for a child's educational needs while at public, private, religious or home schools—from kindergarten through college. The buildup of the interest within that account is tax free and the savings from that account can be used for tuition, tutoring, transportation, equipment, services for kids with special needs, home computers, uniforms, books and supplies, and SAT preparation or enrollment expenses related to sending a child to a public school in a neighborhood district.

It has been estimated that around 14.3 million families—about 10.8 million of which are families whose children attend public school—would benefit from these accounts by 2002. Seventy percent of the tax savings from these accounts would go to families whose income is less than $75,000 a year. Families can make no more important investment than the investment in their child's education.

Some people would argue that ESA's would siphon off funds needed for public school education. In fact, public education would benefit from Americans' being encouraged to invest in their neighborhood schools. Faced with rising costs, many public schools are forced to operate in unsafe buildings or with too few textbooks. The funds these ESA's provide would help improve the quality of public school education by freeing tax dollars for basic instruction, supplies, and repairs. Just investing $2,500 a year from a child's birth until he or she enters the first grade would yield nearly $17,883 for that child's elementary education. Research has shown that engaging parents in their children's education improves the academic performance of those children, and also gives parents a stake in the success of their local schools.

The Emergency Student Loan Consolidation Act just passed the House this week. This bill allows Department of Education direct loans to be consolidated with Federal family education loans [FFEL] until September 30, 1998; allows students to consolidate loans with private-sector loans; and requires consolidated FFEL and direct loans to carry the same interest rate of a consolidated direct loan. In addition, the bill stipulates that HOPE scholarships—the recently created $1,500 tax credits for families for the first 2 years of college established by the Taxpayer Relief Act—will not reduce the financial aid award a student receives. The Department of Education has been unable to effectively operate their direct student loan program since it was created in 1993 and America's students should not have to pay for this administration's shortcomings.

If we truly want to help parents, teachers, and local officials strengthen and reform our Nation's education system, we must make

sure Federal education dollars reach the classroom. This may sound simple enough, but currently $5.4 billion of the $15.4 billion spent by the U.S. Department of Education on elementary and secondary education programs never reaches the all-important classroom and, instead, is lost to a frightening sea of bureaucracy. Roughly 65 percent of Department of Education elementary and secondary dollars actually reach the classrooms. I urge all of my colleagues to take the important first step of making sure that taxpayer education dollars get where they are supposed to be going—to the children and teachers in the classroom.

We cannot continue to allow our education system to entrap young students and permit them to fall further behind. We must act now and take these key first steps to bringing about a brighter future for our children.

Mr. DAVIS of Florida. Mr. Speaker, today, I rise to express my opposition to the Education Savings Act for Public Private Schools principally for two reasons. First, balancing our Federal budget should be our highest priority. We should not pass any bills, whether they increase spending or cut taxes, without considering their impact on our need to balance the budget. This bill costs approximately $5 billion during the next 5 years of its implementation and its cost thereafter is unclear and potentially much, much higher. There is no decrease in spending called for by the bill to offset its cost. As a result, it will hamper, perhaps significantly, our efforts to balance the budget.

Second, while we should support the efforts of parents to educate their children as best as possible and to fully participate in that process, we should not give preference to private schools over public schools. Because this bill appears to do so, I also oppose it for that reason.

Finally, I want to point out that the child tax credit and education IRA created in the recent Taxpayers Relief Act and the Balanced Budget Act respectively, both of which I supported, are far superior to this bill in providing parent financial support for the education of their children. Furthermore, the cost of each of these bills is paid for within the context of moving us much closer to balancing the federal budget.

Mr. Speaker, for these reasons, I urge my colleagues to join me in voting against the Education Savings Act for Public and Private Schools.

Mr. CRANE. Mr. Speaker, I rise in strong support of H.R. 2646, legislation to provide American families with the opportunity to save for their childrens' education. I commend the Speaker and our committee chairman, BILL ARCHER, for their leadership on this issue.

As a former university professor and school headmaster, I take great interest in efforts to improve the education of our children. The bill before the House today provides taxpayers with new education IRA accounts which will allow annual after tax contributions of up to $2,500 to be saved for not only college expenses, but for expenses incurred from kindergarten through high school. When used for education purposes, the interest earned in these accounts will be free from additional taxation. These education dollars will belong to the taxpayer, not the Government, and children will have them available for their public, private or home schooling needs.

The Taxpayer Relief Act of 1997, passed earlier this year by Congress, provided education IRA's, but limited their use to college expenses. In that bill, the Republican Congress had attempted to provide education IRA's for all levels of schooling. This broad IRA survived the House/Senate conference committee, where I supported it, as well as the negotiations with the Clinton administration. It was only after the tax deal was publicly announced that President Clinton quietly threatened to veto the whole tax cut package unless the kindergarten through high school use provisions were eliminated. The President is also threatening to veto this attempt to help parents educate their kids. As usual, the President is looking out for his campaign contributors, rather than our children the future of our country.

I must address the rather specious claims of the opponents of this bill. While our liberal colleagues support education IRA's for colleges, they have lined up in opposition to expanding IRA use for all levels of our childrens' education. I have received letters in my office from teachers unions, school board associations, and the administration claiming that these IRA accounts will undermine public education in this country. These groups obviously misunderstand this bill. Parents are free to use these IRA accounts for their children, regardless of whether they attend public, private or home schools. In the case of public-schooled children, parents can, for example, use their IRA to provide a tutor for their child. If parents use the IRA money to send their child to a private school or to home school their children, they are not relying on a government handout—it is their own money. These IRA's are foreign to the liberal education hierarchy because it removes Washington as an obstacle to educating our kids.

In recent years, public education in America has too often failed our kids. I do not intend to condemn the hard-working teachers, because they need help too. This failure is unfortunately, exemplified in the schools in our Nation's capital. No school system in America, public or private, spends more money per pupil than does Washington, DC. Yet the children in Washington's public schools rank nearly last in academic achievement in America. Taxpayers have poured billions of dollars into our schools and our children are seeing less and less return on this investment. Yet when we Republicans, and a brave Democrat or two, propose to allow parents more freedom and options to educate their children, the liberal education establishment alleges that we are attacking children. How much more failure in our schools will Americans tolerate before they take their schools back from the liberal education establishment? Make no mistake about it, opponents of this bill do not trust parents to make decisions about the education and the future of their own children.

This bill will give parents an additional valuable tool to use in their childrens' education. Parents, not bureaucrats, will have the ability to decide what is best for the kids, and they can use their IRA accounts accordingly. Therefore, I urge my colleagues to support H.R. 2646 and I hope that the President will reconsider his threat to veto this bill.

Mr. PACKARD. Mr. Speaker, parents across America want greater control of their children's education and greater accountability from their children's schools. Parents must be able to send their children to safe, quality schools that reinforce the lessons of responsibility and respect that they try so hard to teach at home. The array of Republican initiatives that we are working to advance are designed to help kids, parents, teachers, and local officials strengthen and reform our Nation's education system—from kindergarten through college and vocational schools to mid-career job training.

I am committed to providing every child in America with first-class learning opportunities in safe, secure schools where they can truly learn. Critical situations call for dramatic change. Maintaining the status quo which chooses bureaucrats over kids, parents, and teachers is immoral and will only keep students trapped in a failed system where they cannot learn. Our education reform initiatives will turn this around. The time to take action is now.

Mr. Speaker, our agenda for the American learner is a serious attempt to bring commonsense reforms to a myriad of redundant and antiquated Federal education programs. We plan to send Federal education dollars to the classrooms, not to Washington bureaucrats; we intend to return control over education to mothers, fathers, and local communities; we want to strengthen our commitment to basic academics, and we want to give every child the same opportunity to thrive and succeed.

At this time, I can only hope that our Democratic colleagues will reject the dictates of the big-money special interests and join us in our effort to give every child a chance at future success and the American dream. It's the least they deserve and I will work to provide our children with a top-quality education and the opportunity for a successful future.

Mr. CALVERT. Mr. Speaker, one of the most contentious battles looming before us today is the battle to save our children by improving education. Like other contentious issues that have come before the Congress such as abortion and the death penalty, very few people are ambivalent about their stand on this subject. One side levels charges of elitism while the other is denounced as bureaucrats. What is being overlooked in the debate, however, is what is ultimately best for our children. The system is clearly failing students when you hear statistics like 40 percent of all 10-year-olds can't meet basic literacy standards, U.S. eighth-graders placed 28th in the world in math and science skills, and almost a third of today's college freshmen require some remedial instruction. How did we let the state of education reach a crisis level?

H.R. 2646, the Education Savings Act for Public and Private Schools, will allow parents, grandparents, friends, scholarship sponsors, companies or charities to open an account for a child's educational needs while at public, private, religious or home schools from kindergarten through college. Savings from these accounts can be used for tuition, tutoring, transportation, books and supplies, and services for kids with special needs, among other things. This bill is about helping parents help their children. How can anyone be opposed to giving money to families for educational use rather than using that money to create more government bureaucracy?

I am a product of the public schools in the district I am now honored to represent. I want the parents and children in my district to have access to the best education possible. As a lawmaker, I owe it to future generations. I urge all of my colleagues to support H.R. 2646.

The SPEAKER pro tempore (Mr. FOLEY). It is now in order to consider

the amendment printed in part 2 of House Report 105–336.

AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. RANGEL:

Strike sections 1 and 2 of the bill and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Public School Improvement Act''.

SEC. 2. MODIFICATIONS TO EDUCATION ZONE PROVISIONS.

(a) INCREASE IN VOLUME CAP ON BONDS.—Paragraph (1) of section 1397E(c) of the Internal Revenue Code of 1986 (relating to credit to holders of qualified zone academy bonds) is amended by striking ''$400,000,000'' and inserting ''$4,000,000,000''.

(b) PERMITTED USES OF BOND PROCEEDS TO INCLUDE SCHOOL CONSTRUCTION.—Subparagraph (A) of section 1397E(d)(5) of such Code is amended to read as follows:

''(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,''.

Amend the title to read as follows: ''To amend the Internal Revenue Code of 1986 to promote the construction and rehabilitation of public schools by increasing the amount of qualified zone academy bonds which may be issued.''

The SPEAKER pro tempore. Pursuant to House Resolution 274, the gentleman from New York [Mr. RANGEL] and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I encourage Members' support for my amendment, which merely is an expansion of existing law that was incorporated in the recent tax package, with the support of the leadership of the Democrats, the Republicans, as well as the President of the United States.

□ 1400

What it does is to allow those public school systems that are failing us in areas of extreme poverty to get their acts together by realizing that they have to do something better. And what they do better is to have to reach out to form partnerships, to form academies with the private sector leadership in these communities, and to sit down with the teachers and with the parents, the business people and the local officials, and to come up with a curriculum, not just one that they feel good about, not one that comes from the State capital, but one in which the private sector can say that these are the skills that we are going to need in this community if your kids are going to go to college or if your kids are going to get a job.

So there is no special bank accounts. What it amounts to is it allows these communities to be able to go to the public market and to borrow the funds with interest-subsidized bonds so that they would be able to supplement the public budget by providing funds for scientific equipment, scientific books, things that would be approved by this partnership, to rehabilitate the buildings, to make the repairs, and to have the type of academies that excel in those communities that they are not doing well in.

It just seems to me if one takes a look at some of these communities, one would find that the budgets to keep kids in jail far exceeds the budgets that keep kids in school. In the city of New York, we pay $84,000 a year to keep a kid in a detention center, and we are fighting now as to whether $7,000 is a sufficient amount of money to keep that same kid in school.

All this is saying is that as we concentrate on the next century and having people with the intellect and the technology to keep America in the forefront, do not try to move forward and leave millions of people behind without the skills to work with.

I encourage Members to consider this. It cannot be called partisan. It borrows from the same concepts of funding as our Republican majority. The concept has been supported, it is in existing law, and I just hope that you would believe that this is really a more effective way to improve the quality of education for those kids who do not have the option to go to private school, but have this as the only network, as I and the gentleman from Iowa [Mr. NUSSLE], had when we were kids, and that was that public school system.

We are not saying there is an attack on that system, we are saying that it is in a critical stage today, and we are asking Members in the Congress not to let that go, because for many of us, we never had the option to go to a private school.

Mr. Speaker, I reserve the balance of my time.

Mr. NUSSLE. Mr. Speaker, I claim the time in opposition to the amendment.

The SPEAKER pro tempore. The gentleman from Iowa is recognized for 30 minutes.

Mr. NUSSLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me start by commending the gentleman from New York for what I would have to suggest is a good idea, and an idea we need to consider in this House of Representatives, we need to consider in the Senate, or in the other body, we need to consider in Washington, as a way to try to empower State and local communities to deal with some very specific problems that I know the gentleman is well aware of.

I just also became well aware of them in my own community of Waterloo, IA, where we also are faced with a number of problems involving infrastructure or brick and mortar as they call it, of schools that have deteriorated, and are forming partnerships within their own community. Even without your amendment, they have done this to come together to plan for the future, to figure out ways to share information and resources, and also build back the school system, because they, along with the gentleman and myself, agree that public education is an important foundation for a free society, and particularly one that has gotten us this far in our history.

I would just have to say, however, that we have a finite pot of money that we hope to use as the offset, and yours is a substitute. If there was a way we could augment it after studying the way it would work, because one of the concerns I have is I think you target—it seems to target only low-income areas, I would be concerned that maybe we allow that to broaden out even a little further, because there are some areas that may not quite meet the definition of low income, yet are faced with some unique challenges. Maybe it is through recession, maybe it is on a periodic basis. But I do think your plan deserves study and merit.

So I find it difficult to debate against it. We have talking points here, of course, and we can look and say, well, our plan supports savings; your plan supports borrowing. That is really not the point. The point is they are two separate problems.

One part is we have parents that need to deal with immediate concerns of dealing with their children's education. You and I both know that means public education, but in many instances the choice is becoming more and more frequent, a private education, extra education in addition to public education. So we tried to meet that challenge through the Education Savings Act.

What you are trying to accomplish is in a different, no less important, in my view, area of infrastructure for education.

I think in this instance why we are opposing this is because we would like to move this plan. It has been part of our platform, we believe in it, we are going to move it, that is our intent, but in my opinion, and I am speaking for myself here, I believe we ought to take a closer look at your plan with regard to building up and giving empowerment to local communities, whether it is academies or zones of partnership, so that we can, in fact, infuse some support in a nontraditional way to our public education system.

Some would rush in here and say let us appropriate dollars. Yours is unique. It says we have to have local control. I believe it says we have to have community involvement. It has to come from the bottom up. We are just there to help. I think that is a unique and very administrable plan.

Unfortunately, with the pool of money available, I am going to push my idea, support your idea as something we need to look into, but believe that it needs to wait until another day, I say respectfully.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Let me thank my friend, the gentleman, for his support, even though it is limited.

Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. LEWIS], a member of our committee.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague, my leader, for yielding me this time.

Mr. Speaker, I rise to express my strong opposition to this ill-conceived plan. Across our Nation, public schools are in need of assistance. According to a recent GAO report, one out of every three public schools is in serious need of repair and construction work. Our public schools are crumbling. Our children need our help.

The deterioration of our public schools should not be a partisan issue. The Department of Education did not cause the physical deterioration of our public schools, nor did Goals 2000, or Head Start. They are crumbling because of a lack of money, effort, and caring.

Some of our public schools are crumbling in other ways. Students are not learning. Drugs and firearms have invaded our Nation's school yards.

As a nation and as a people, we should be responding to this crisis by fixing and building our public schools. Public education is a great equalizer in our Nation. Nine out of every ten children in this country attend public schools. I attended public schools. I would bet that the majority of the Members of Congress came from some public school. We know that each and every child has a right to a good education in a safe environment at a public school.

The bill before us would do nothing to improve our public schools. Instead, it would use the Federal Tax Code to undermine support for public education.

This bill is a sneaky and slick proposal that would have two results: First, it would subsidize religious groups and religious schooling; second, it would continue Republican efforts to undermine our support for public education.

Working families do not want their hard-earned tax dollars going to support private schools. A family making less than $55,000 a year will receive, at most, $7 under this misguided proposal. Meanwhile, upper income families get more than 10 times that amount.

Most Americans, Mr. Speaker, cannot afford these exclusive education accounts. They cannot afford to set aside $2,500 each year for each child's education. This bill cannot and will not help them, but public education can. Public education can help every child, no matter how rich, no matter how poor. Again, public education is the great equalizer.

If we are going to spend $2.5 billion on education, let us spend it on public education that our Nation's children and all of our children can use. Let us invest in public education, not tax breaks for sending their kids to private and religious schools.

Mr. Speaker, for this reason I urge all of my colleagues to reject this proposal. Let us invest in our crumbling public schools. Let us support the Department of Education. Let us use our limited resources to invest in the millions of children who cannot afford exclusive education accounts. These children are the ones that need our help. Defeat this bill, support the Rangel substitute, support our public schools.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman from Georgia [Mr. LEWIS] is obviously quite eloquent. This is not a choice, I would say to my friend, between public education and private education. In fact, I do not believe the gentleman is trying to suggest that private education, particularly church-based education, is not good.

I do think we need to support public education. It is not a choice of one or the other. This is to help those who want to make that choice. There are many who make that choice all the time.

Mr. Speaker, I would be glad to enter into a colloquy with the gentleman, if he could get time from his side.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, my friend would agree that 9 out of every 10 children go to public schools. That is where the greatest need is.

Mr. NUSSLE. Including me. That is where I went.

Mr. LEWIS of Georgia. We are planning to spend maybe $2 billion or more?

Mr. NUSSLE. My children go to public school.

Mr. LEWIS of Georgia. My child attended a public school.

Mr. NUSSLE. Mine still do.

Mr. LEWIS of Georgia. That is very good. I am just trying to help your child and all children; your children, my children, and the children of Georgia.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, not only did I go to public school and my kids, but I happen to have a child with special needs. I know that as much as you try and as much as I try, there is no way that the public education system is going to be able to provide all of the necessary things, the resources and educational tools, that my daughter is going to need into the future.

I am not suggesting I necessarily need this account, I do not know. We will see. It probably is not going anywhere, it sounds like, from what we hear, because the President does not think parents ought to have this choice.

I believe we ought to at least start down the road and discuss who should make these decisions.

Mr. LEWIS of Georgia. Mr. Speaker, if the gentleman will yield, we are proposing to help all families, not just wealthy families.

Mr. NUSSLE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. PETERSON].

Mr. PETERSON of Pennsylvania. Mr. Speaker, I find it interesting, there have been several speakers who have said that parents, working Americans, poor Americans, cannot afford to do this, and they will not, and it appears with Treasury and their examples and the figures they have come up with, they are assuming they will not.

If that is the case, this bill should not be a problem, because it will not impact our schools, because the parents that have the right to choose today, the wealthy parents, make those choices every day, but middle Americans and the poor cannot make choices because they cannot afford to. So if that is true, this bill should not be a problem. This whole debate is frivolous.

But I cannot pass up the chance to deal a little bit with the Rangel amendment, which we are debating now. There is a stark difference here. We have a bill that encourages people to save, parents and families to invest in their children's future, empower parents to make choices, with their money, not our money, their money, and now we have a substitute that talks about making it easier for school districts to go into debt.

I have been a businessman for 26 years, and I served in State government for 19 years, and watched our educational system in Pennsylvania.

□ 1415

A business or a school district cannot borrow their way out of trouble. If they are in trouble, borrowing money is not necessarily the answer.

In Pennsylvania we have one school district that we gave an additional $400 million a year, over and above the formula, because they were impoverished and struggling. That $400 million never fixed their problem, and has not fixed it until today, because you can subsidize a poor school district as much as you want and you will not fix it, because it is not being run right.

We have a choice here of empowering parents, encouraging them to save money for their own children's future, or whether we want to deal with the Federal Government getting involved in local school district debt. I am not opposed to allowing them the cheapest way to borrow money, if there is a way to do that. I am not opposed to that. But that is certainly no substitute for the bill that is before us.

Why do we want to deprive American families the right to choose? I personally think very little of the money will go to basic education. I think the bulk of it will be, because if I was saving for my grandchildren and helping them, it would be to help them go to college and get their education.

If the crisis came in 10th, 11th, or 12th grade, to help them get into the

program they want, why should parents not have the right to use it? I do not understand a government that does not trust parents to make decisions, and does not want to empower parents to save money to provide for their children's future. That is just un-American, to oppose it.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida [Mrs. THURMAN], a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the question here today is how can we best provide for the education of our Nation's youth, of which approximately 90 percent attend public schools? Clearly, from this debate, Members of this body do not share the same views with respect to this question. Some think that we should provide incentives for a select few to leave the public school system. Others, including myself, believe the answer lies in strengthening the current system for a larger majority.

What concerns me, however, is that we continue to skirt the issue. I believe this body should focus on a comprehensive education reform package, one that incorporates a strengthened public school system, as well as incentives for families to save for college. The Rangel alternative is more in touch with the problems of our educational system.

Unlike the Coverdell bill, the Rangel substitute is consistent with the goals of improving our education system and our commitment to attaining a balanced budget. Moreover, the Rangel substitute would meet critical needs for school districts throughout this country, and in particular, Florida.

In a recently released report by the Florida Governor's Commission on Education, it was found that the construction, maintenance, and repair deficit in Florida was $3.3 billion over 5 years. To address this deficit and to come up with a constructive long-term plan to meet the educational needs of Florida schoolchildren, on November 3 our State legislature will meet in a special session. I firmly believe that an interest-free loan option would help their problems.

As a former educator in Florida, I know firsthand it has a real need for a loan program like the substitute we are considering today. With more than 17,000 students jammed into portables throughout the State, the issue of repair and new construction must be addressed. I simply do not think that these very real problems faced by both the Florida legislature and schoolchildren can be solved through an educational IRA program.

Not only would the Rangel program address these very real issues, but it is workable. It would be an attractive option for many of Florida's local governments and school districts. Creating a public-private partnership to meet the dire needs of our schoolchildren is not only innovative but fiscally sound for the Federal, State and local governments.

I do not think there is anybody in this body that opposes the concept of allowing parents to provide the best educational opportunities for their children. But, as has been noted, with limited resources let us act in a responsible way, which would provide additional resources for all public school systems. Let us target our limited resources to programs that will benefit the most people at the greatest savings.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would respond to the gentlewoman, the gentlewoman probably remembers that in the 1997 tax bill that we just had, and Florida may be interested in this as well, that we passed $400 million for this exact purpose. In fact, it was in the 1997 bill. I think it was probably because of the leadership of the gentleman from New York [Mr. RANGEL] and many others that we provided this. I think Florida has an option.

Now, this is a trial period. I mean, I think it would be good to see how this works. But to suggest that, again, this is a choice between one idea and another is really not correct. This is an expansion of a current good idea.

Mr. Speaker, I yield 2½ minutes to my friend, the gentleman from Nevada [Mr. ENSIGN], a member of the committee.

Mr. ENSIGN. Mr. Speaker, there have been many arguments on this, and sitting on the Committee on Ways and Means I heard many of the arguments by the other side of the aisle, and quite a bit of the class warfare was engaged in this debate. We had quite a healthy debate in the Committee on Ways and Means on the whole idea, whether this is going to be for the rich or the poor.

Many on the other side of the aisle seemed to think that people in lower income brackets cannot save; that they do not have confidence in people in lower income brackets, even though there are many people in this country that are in low income brackets that are sacrificing for their children, that are saving, that are putting money together. There are a lot of lower income people that are even sending their kids to private schools.

But this is not just about private versus public schools. This bill, 70 percent, it is estimated 70 percent of the money that is in this bill will go to helping students in the public schools. The old solutions for the public school systems have not worked. It is a disaster. In New York City, Washington, DC, most of the major cities around the country, the school zones, the public school zones are a disaster for our children.

We need to care more about our children than we do about the educational bureaucracies, and those bureaucracies that protect the current status quo. We need to look for new answers. Forget about who we are protecting, other than let us think about the children.

What this savings account will do, for those kids in public schools that maybe need a tutor, their parents will be able to save and sacrifice so maybe they can get a tutor for their child that could make the difference.

The reason that we say that this is a good bill is because Americans right now are encouraged, because we penalize them by taxing their savings. Any time you save, you get taxed on it. We have a national savings rate now, right now, of around 3 percent. It is the least in our country's history.

Traditionally, we have had about a 9-percent savings rate. Japan has about a 20-percent savings rate. What we are trying to do in this country is to encourage people at all income levels to save, and especially to save and to sacrifice for their children. What could be more important for their children than their education?

I just encourage my colleagues to vote yes on this bill, and no against the Rangel amendment.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from New Jersey [Mr. PASCRELL].

Mr. PASCRELL. Mr. Speaker, I yield to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I just want to respond to the person here that talked about our school systems.

First of all, how about those children who need a book, that do not have a book right now? How about those kids who do not have a computer? Or just as importantly, how about those kids who do not even have a classroom to go into?

The gentleman's bill, while he suggests that $400 million was given in 1997, how about the $2.5 billion that we are looking at in the IRA? We could actually leverage those dollars with the Rangel bill to $8 billion. $8 billion would make a big difference, but $2.5 billion is what they want to give to IRA's, and $400 million is what they wanted to give to construction.

Mr. PASCRELL. Mr. Speaker, I rise in support of the Rangel substitute. I believe the gentleman from New York [Mr. RANGEL] has drafted a very smart and effective proposal which would provide necessary assistance to public schools.

As a former mayor and a member of a local school board, I know all too well about the problems facing our public schools. I have seen them firsthand and closeup. I did not have to read about them.

Approximately 90 percent of our students are educated in our public school system. A staggering percentage of those students are forced to learn in schools that are crumbling all around them. We have a responsibility to address this deficiency. The Rangel substitute does just that. It provides schools with much-needed resources for construction and repair, the purchase of equipment, curriculum development,

and teacher training. It does all this within the confines of the balanced budget agreement.

Many of us proudly supported the landmark tax relief legislation we passed this year, but I was disappointed that in the $90-plus billion relief bill, elementary and secondary education was largely ignored.

The Rangel substitute gives us an opportunity to expand, both in scope and investment, upon the one area in that bill that provided real assistance to secondary and primary and elementary schools. The Taxpayer Relief Act provides interest-free capital to public schools, but does so only at a very modest level. Under this substitute, the funds available would be increased from $400 million in each of the next 2 calendar years to $4 billion. That is a significant contribution, when we look at the needs of construction in every 1 of the 50 States of the Union. This only touches the surface.

Mr. Speaker, this program establishes a valuable partnership between our public schools and the private sector. This partnership will ensure that the resources flow directly into the schools where they are needed. At the same time, the lender will be made whole through a Federal tax credit equal to the interest that the borrower would otherwise have had to pay. This is a prudent use of Federal resources. The Rangel substitute is smart, and addresses real problems in our educational system. It does it within the confines of the balanced budget agreement.

I do not oppose increasing choice in educational systems, and in fact, I am pleased that in the upcoming days this Chamber will likely have an opportunity to vote on legislation opening up the choice of charter schools to more students and their parents. Nor am I opposed to private or parochial education, having been the product of it myself.

What I am opposed to is turning our backs on the public school system that educates 90 percent of our children. Let us support choice. Let us give parents more say in their children's education. Let us not blindly shun private or parochial education. I urge my colleagues to support the Rangel substitute.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to my friend, the gentlewoman from Texas [Ms. GRANGER].

Ms. GRANGER. Mr. Speaker, I rise in opposition to the substitute, and in favor of the underlying legislation. I rise as a former teacher, myself, and as the daughter of a woman who spent 47 years of her life as an educator.

The answer for our children is not borrowing money or further limiting our children's opportunities. It has often been said that giving children an education is expensive, but leaving them uneducated is a lot more expensive. That is why this Congress, through our legislation, is committed to ensuring that our parents get a better return on their investment and our children get a better experience in their classroom.

Today, this Congress is considering an initiative designed to give our parents a choice, our students a chance, and our schools a charge to be the very best schools in the world.

Our approach is simple. By allowing parents to set up savings accounts, we can allow families to get more for their money. We can allow them to build up a nest egg of money, and use it to pay for their children's education. If they want to buy a computer for their child, they can do it. If they want to send their child to a different school, they can do it. If they want to pay for a tutor to help their children learn more, they can do it.

This may seem like small steps, but I believe they will have a big impact. They will help improve all of our schools in America, but more importantly, they will help improve the education our children receive. They will also do so without increasing the role of the Federal Government in Washington.

Many times on many different issues we in Congress seek to make a statement. Well, here is one issue where we can actually make a difference. When people say, we cannot give our children a better chance, I say, we can, and also we should. When people say we cannot give our parents another choice, I say we can and we must. When people say, we cannot improve our schools, I say we can and we will. Our children deserve it and our future demands it.

□ 1430

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. NEAL], a member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, let me stand as a former teacher, former mayor of a large municipality, but most importantly, in this House today the lead Democratic sponsor of the individual retirement account. The notion of the individual retirement account was, with heavy emphasis on the middle term, retirement. That is what we are really discussing here. We spoke to the issue in the budget agreement about expanding individual retirement accounts for middle-class people.

The point of this issue today is that this individual retirement account proposal has nothing to do with retirement. We are further diverting resources from the public schools, but overwhelmingly it is being done to the benefit of high-income Americans.

Mr. Speaker, let me cite a couple of specific examples. The bill before us today would only benefit families with sufficient investment assets that would enable them to accumulate income on those assets over a long period of time.

Families paying education expenses out of wage and salary income, however, would receive no or little benefit under this legislation. Families, again, with school-aged children would receive very little benefit. If a family currently had a child in a private school, that family would receive only a small benefit, if they could contribute $2,500 to an investment account after having paid the cost of private school tuition.

The bill before us today has no real income limits. For many families, the tax benefit would be less, and I urge my colleagues to listen to this, $15 a year; $15 a year.

Mr. Speaker, I support the Rangel substitute which is targeted to schools in need of assistance. I come from the State that gave America the concept of a public education. The Rangel substitute encourages greater private sector involvement, but most importantly, it provides additional resources for our public schools, of which I am also a product. It allows us to meet the pressing need of school construction and repair as well as equipment purchases and course development, and certainly teacher training.

This alternative expands the education zone bond provisions included in the Taxpayer Relief Act. It also provides an interest-free source of capital for public schools that enter into partnerships with the private sector to improve those public schools with the greatest need.

Let me close, Mr. Speaker, on the note on which I opened. The individual retirement account was constructed for the purpose of retirement. It was built for the purpose of speaking to our low national savings rate. The legislation here proposed by the majority has nothing to do with that concept.

Mr. NUSSLE. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, the gentleman from Massachusetts [Mr. NEAL] just spoke about the individual retirement account and he said that it was a good idea for retirement but it was not a good idea, maybe, for anything else. I would just suggest to the gentleman that, as I recall the debate, the reason why the individual retirement account came up is that we learned that there was a crisis in this country about retirement, that Social Security could not do it all.

Mr. Speaker, guess what? The idea was, hey, let us let people save for their retirement. Heaven forbid that we would give an incentive for that. A great idea. Well, guess what we did? We stole it. We stole the idea. We said if they can save for that, they can save for lots of things. Guess what? Savings is good. And this is the reason, because we also have been learning something else out here, that government cannot solve all the problems of this world. Parents have got to get involved. How do they get involved? With resources. Where do those resources come from? They earn them. What do we do with those resources? We take them.

So what we are suggesting is let us leave them there. Let us let families make those decisions. The gentleman says that some of these families do not

earn enough, therefore they cannot utilize them. Let me tell the gentleman about what is happening out there. Those with the resources, the rich as some people like to come here to the floor and demagog, are already doing this. They are already setting up accounts and already take their kids out of the public school system. They are fleeing from the system. They are already doing this, with or without accounts, with or without Rangel substitutes. It is happening.

Mr. Speaker, the issue is are we going to be able to empower those parents who need that system? Are we going to be able to empower them for the extra book, for the computer, for the tutor, for the additional expenses that a child with special needs needs in our society?

Mr. Speaker, that is all we are saying here today. Some people are running in here saying that we are burning down the public school system. Where in the world does it say that? People that are sending their kids to public schools, like I am, not everybody on this floor who is using a lot of fancy words today necessarily are sending their kids to public school systems. I happen to be. I think it is important for our democracy.

But I also know that the public school system cannot do it on its own. My son and daughter need me in order to help with that. I think it is important for us to recognize that this is not a choice between two different concepts. We are not saying pick public education or pick some fancy savings account. We are not saying that.

Mr. Speaker, we are saying choose public education, but choose it with the ability through an incentive to save a little bit for the extra expenses that we know are going to be there. That is all we are suggesting. It is not some choice between public and private education. We already have that choice in front of us and already those with resources are making their choice and they are running from the system.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts [Mr. TIERNEY].

Mr. TIERNEY. Mr. Speaker, let me just make an observation that we make a choice under this proposed bill every time we decide to take public resources and apply them to a private use. That is exactly the choice that is being made on that side of the aisle.

Mr. Speaker, let me just go back. When we first started dealing in this country with education, people that had the means obviously made a choice to send their children to private schools. That is all that existed, and they made a good choice. I think private schools are wonderful. People that have the opportunity to do that, this is a free country, they ought to have the freedom of making that choice.

We understand all the things that people got out of education. It was obvious and there is no mistake and no coincidence that people with the resources made sure their children went to private schools. But as a society it became clear to us over a period of time that those benefits of education would be good for every child in this country, and there were not opportunities for every child in this country to go to a private school and there will never be an opportunity in this country for every child to go to a private school.

Mr. Speaker, we decided to use public resources for a public purpose to have public education. The idea is that we would invest enough resources to make sure that every child had the best opportunity to get an education, all of the economic arguments that have been stated a million times, and they are obvious. The idea that we will have a better democracy, a better society if children are educated has been quoted and spoken to often. The idea that every child has a right to enjoy life, whether it is art or music or literature or history, just the idiosyncracies of the world they live in, that is obvious.

Mr. Speaker, that is the chance we want to give to the 50 million children that cannot go to a private school or will never, under this plan or any other plan, be able to go. The idea of choice is how will we spend our limited public resources? Will we be giving tax breaks so those people who are already situated well enough that they can make the choice to send their child to private school will get another break, or will we make sure that the public resources are spread around the larger group to benefit all of us as well as that family and that individual.

Mr. Speaker, I think that is the choice that I think the public wants made for public schools. There are excellent public schools in this country, when they have the resources, when the walls are not falling down, when the lights work, when they have the textbooks, when they have the computer, when the teachers are trained and retrained, when the class sizes are small enough. I visit them every week in my district and they work quite well.

It is our disinvestment from public education through the proposed means and other similar means that will spell the bad note for public education. We can make public education work, as it is in so many places in this country, if we do not divert the resources. That is the challenge for us.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would just point out this difference. Listen to this. There is a difference between us, and I respect the gentleman's position. That is fine. He believes take that money from people, spread it around. I understand that. The gentleman calls that public resources. I call that taxpayers' money.

Mr. Speaker, people who worked on the line at John Deere in Waterloo, IA; people who are on a combine right now harvesting corn in Iowa, that is their dollars, it is their money. Now, I get to take some of that because I am the Federal Government. We will deal with that. But I would say to the gentleman from Massachusetts, It is not your money. It is their money.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 3¼ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Mr. TIERNEY. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Massachusetts.

Mr. TIERNEY. Mr. Speaker, let me say that it is obvious to all of us that when we are talking the taxpayers' money, we are talking about the community's money. I do not think it is my money. I know quite well it belongs to everybody. It is their choice to have a good public education system in this country. We ought to spend public funds, their funds on that, not some wealthy individual's further advantage on a private school. They have made that choice and they do that on their own.

Ms. JACKSON-LEE of Texas. Mr. Speaker, reclaiming my time, I thank the gentleman from Massachusetts and I guess I would thank all of us for bringing this to the forefront. But yet let me say that there is a missing element, and that missing element is the millions of children who today sit in public schools.

Mr. Speaker, it is a shame that they are not a part of this debate, but for those who have been educators and those who have taught in schools let me say that I have sat in public schools. I would not be here today had it not been for a strong public school system. That is who I want to speak for today, the millions of children who cannot be here who are in crumbling schools, buildings without heat, teachers who need a better curriculum.

Mr. Speaker, this is a flimsy idea, this so-called education savings account. The Washington Post says it right. ''The House is scheduled to vote today on a further tax cut, almost exclusively for the better off, masquerading as a form of aid to education. It is not clear that this could pass constitutional muster since most of the tax benefit would end up as a backdoor public aid to private education. Only people with quite high incomes could afford to set aside, in advance of the elementary and secondary years, enough money to make the device work.''

Mr. Speaker, that is the key element. This does not take into account the 90 percent of hard-working Americans whose children are in public schools who want to see their taxes go for better infrastructure.

Mr. Speaker, I am here to support the Rangel substitute, which makes common sense. We know our schools

are crumbling. We know curriculums need to be better. We understand that public schools have been the real anchor for opportunity in this Nation. There is always something that parents will always say: God and country, and, yes, education. If Americans are a new immigrant, if they are a minority, if they are a woman, education is what does it for us.

Mr. Speaker, this just steers away another big balloon of hope for those individuals who think they will be able to save. But if they are paying for Johnny's clothing, if they are paying the light bill and the rent bill, if they are paying the car note on two cars so that parents who both work can go two opposite directions, then they do not have the money to put aside $2,500 for elementary and secondary education this.

Mr. Speaker, this is a bad piece of legislation. It does not work. Public schools are the great equalizer. They provide equal opportunity. The Rangel substitute says fix our schools, fix our curriculum, help our parents be a viable participant in the education of their children. Let us not use these flimsy backdoor methods, calling it a $2,500 a year tax savings, masquerading as an IRA for those who can already give $2,500 for savings and provide private school education.

Mr. Speaker, I urge my colleagues to support public education. Vote down this Coverdell legislation and support the Rangel amendment.

Mr. Speaker, I rise today in opposition to H.R. 2646, the Education Savings Act for Public and Private Schools as a cruel hoax on low-income parents. How can a family that does not have enough money to pay the rent and put food on the table have enough money to put $2500 in a savings account.

This is nothing more than another bone that the Republicans are giving to their rich constituents who are looking for a tax shelter. The bill means that funds that could be going to our public schools will now be going to private and religious schools that may not have any right to such a government subsidy under the Constitution.

Our public school system is the great equalizer for our nation and I am appalled that we are now considering targeting our public schools to help out the rich!

If a family can afford to send its children to a private school, so be it. The government has no business underwriting the education for families that do not need it. This body should be making sure that help all of our children receive a quality education.

Congressman RANGEL'S Amendment makes sense. Let's give the public schools a chance, a chance to rebuild themselves, at least a chance to rebuild their infrastructure. This bond proposal will allow public schools to fix the roofs and to buy the text books they need. Our public schools are the backbone of opportunity for our youth. If we choose to abandon the schools, we will be turning our backs on them for the 21st century.

I urge my colleagues to vote against this attempt to undermine the public education system that we have always supported.

[From the Washington Post, Thursday, Oct. 23, 1997]

A FLIMSY IDEA IN THE HOUSE

The House is scheduled to vote today on a further tax cut almost exclusively for the better-off, masquerading as a form of aid to education. It would be a follow-on to the tax cut the president and Congress included, improvidently, in their plan to balance the budget earlier this year. The earlier cut included an instrument called the educational savings account, the investment income from which would be exempt from tax if used to pay for higher education. The new proposal is to allow such accounts to be used to pay for elementary and secondary education as well.

It's not clear this could pass constitutional muster, since most of the tax benefit would end up as backdoor public aid to private education. It would be bad policy even if it did pass such muster. The concept of vouchers to help low-income students transfer out of non-performing public schools in which they are trapped is relevant here. It has some big and obvious problems; but assuming it, too could survive a court test, it seems to us worth trying at least in the form of a modest experiment.

The reason the voucher idea is relevant is that the proposed tax cut comes wrapped in some of the same rhetoric, but is nowhere near the same thing. Only people with quite high incomes could afford to set aside in advance of the elementary and secondary years enough money to make the device worthwhile. The Treasury has estimated that about three-fourths of the benefit would go to the highest-income one-fourth of all families. The proposal is being urged in the name of educational reform, which it is not. Proponents say there would be no public cost, but there would. If Congress sends him this, the president would be right to cast his threatened veto. The proponents want the issue, which they think will help them. We think they're wrong; this is a flimsy idea that can't stand up to scrutiny.

Mr. NUSSLE. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. THUNE].

Mr. THUNE. Mr. Speaker, I thank the distinguished gentleman from Iowa [Mr. NUSSLE], our neighbor State, for his leadership on this issue. What we are talking about here are a couple of values that I think are fundamental in American culture. One is the value of letting parents choose what is in the best interest of their children. The second one is to try and promote the highest quality level when it comes to our children's education.

□ 1445

I want to suggest today, we had a lot of discussion about this, but this frankly is an extension of the education savings accounts for college that became law as part of the bipartisan Tax Relief Act of 1997. Opponents of the bill have been arguing today that this, in fact, may be taking money out of the public school. This simply is not true. These education savings accounts allow parents, grandparents, friends, scholarship sponsors, companies and charities to open an account for a child's educational needs at public, private, religious or home schools.

This bill would not take away from the education formula in my State of South Dakota or in any other State. Public schools will still receive the same level of funding that they receive today. These accounts simply allow parents to save their own money to pay for their child's needs. Should not parents actually be the ones who are in the best position to decide what their child's needs are for school and should they not be allowed some type of incentive to provide for their children the tools that are necessary to become prepared for the 21st century?

One of the arguments we have heard from the other side today and the opponents continue to claim is that this will only benefit rich people. I do not see anywhere in the bill where it says only people of high incomes can open these accounts. Frankly, most families in South Dakota are very average income levels. There are people who will benefit immensely from this. I think they would love to have the ability to save money in a tax-free account so that they could buy a new computer or have access to the Internet.

We also have families in South Dakota with special needs children. The cost of their education often exceeds the age of 18. This bill will allow them to have accounts to apply to their education for as long as is necessary.

Finally, Mr. Speaker, opponents today are also trying to claim that we as Republicans are trying to send kids to private schools. Official estimates show that nearly 11 million families or 70 percent of those who would use these accounts would do so to support children in public schools. My children attended public schools in South Dakota. They attend the public school system out here in Arlington, VA. I can assure my colleagues, if we have an opportunity to have tax-free accounts for our children, that money will go toward benefiting public schools.

I support the education savings accounts. I hope the rest of my colleagues do as well. I believe, again, that we are addressing values that are very fundamental to the culture of this country, the first being, of course, that we want the very highest quality education for our children, and secondly, that we ought to allow the parents of this country to determine and choose on their own what is in the best interest of their children.

Mr. RANGEL. What time remains, Mr. Speaker?

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from New York [Mr. RANGEL] has 6¾ minutes remaining, and the gentleman from Iowa [Mr. NUSSLE] has 11 minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, today Republicans continue their attack on America's public schools. This is what it is all about. Shift the taxpayers' dollars from public education and put it into private education. This legislation drains the Treasury of taxpayers' dollars needed to improve public schools and provides a tax break for those who

are the wealthiest in this country. Ninety percent of America's children attend public schools. These are the children we should be helping.

Focusing on school construction, fix the schools where walls are crumbling down, invest in teacher training, purchase new textbooks, put in computers and get them on line with the Internet. That is what the Rangel substitute does.

Republicans would help wealthy families who can already afford to send their kids to private schools. My kids went to public schools. I know what that means. I know what the great equalizer public education has been in this country. Under this legislation, a parent could write off the purchase of a car to drive their kid to school or they could pay one child to tutor a brother or a sister.

Seventy percent of the benefits of the bill go to upper income families making $93,000 or more. It is wrong. Education is for everyone, not the few or the privileged.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

I rise in strong support of the substitute amendment to renew and rebuild our Nation's public schools. As the sponsor of the Rebuild America's Schools Act with 115 cosponsors, I am keenly aware of our school building crisis. Last year, the GAO confirmed what students and teachers already knew, that too many of our Nation's public schools are literally falling down. How much will it cost to repair them? The GAO says $112 billion. It is shameful that we have let the problem grow so severe. Children cannot learn in overcrowded or makeshift classrooms. They cannot learn when ceiling leaks or when walls are tumbling down.

Mr. Speaker, we have let our children down. Now we have to make amends. The Rebuild America's Schools Act would make it cheaper for States and school districts to raise capital for school building and repair. The Rangel substitute takes a similar approach. It makes $4 billion available to provide interest-free bonds to our Nation's public schools. The money raised by these bonds would help repair buildings, build new classrooms. It would purchase computer equipment, develop teaching materials, train teachers.

The Rangel substitute would also harness the knowledge, ingenuity, resources of the business community to help prepare our students for the rigors of the new global economy. It asks corporate America to step up to the plate and go to bat for our children.

This is something each and every one of us must do. Local school districts are overwhelmed. The local tax base just cannot keep up with routine maintenance costs, let alone the costs of easing overcrowding or upgrading schools for 21st century learning. The fact is, local bond issues fail regularly. We can only address the abysmal condition of our Nation's school buildings with the concerted effort of every level of government. We need a real partnership. The Federal funds are but a small fraction of what is needed to solve this urgent problem. It does not mean that we in Washington do nothing. We must do our fair share. I ask for support of the Rangel substitute.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Speaker, I thank the distinguished gentleman from Iowa [Mr. NUSSLE] for yielding time to me, and certainly my chairman, the gentleman from New York [Mr. RANGEL].

I rise hopefully not to the chagrin of the gentleman from Iowa, but in support of the Rangel substitute.

Mr. Speaker, this proposal addresses one of the most basic and perhaps pressing needs facing this Nation today, the lack of adequate facilities within which to educate our future policymakers and firefighters and doctors and lawyers in this Nation.

Mr. Speaker, we should not allow our children to wait any longer. When I hear my friends on the other side of the aisle assert passionately the need to create reasonable opportunities for young people to learn, I am forced to agree. But common sense tells us that this cannot happen if they do not have decent school buildings and infrastructure in which to learn. The Rangel substitute is not a radical measure. This proposal seeks simply to lighten the burden on those who would utilize bond financing for teacher training, for curriculum development and infrastructure improvements.

Mr. Speaker, this body not long ago passed the Juvenile Justice Act, which makes it easier to arrest 13-year-olds and send them to adult prisons. As one of this body's youngest Members, I would urge my colleagues to support this substitute, allow those young people an opportunity and do what is best for America's future.

Again, I thank the gentleman from Iowa [Mr. NUSSLE] and thank my chairman.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from New York [Mr. RANGEL] is recognized for 3¾ minutes.

Mr. RANGEL. Mr. Speaker, let me thank the majority floor manager, the gentleman from Iowa [Mr. NUSSLE], for creating an atmosphere in discussing this issue, not one against the other, but in all recognizing that what we are talking about is education. This country is going to be just as strong as the level of that superior education that we are going to be able to maintain in order to have, if we are going to maintain our ability to be competitive.

We cannot continue the way we are going. We can cannot ignore that we are putting a lot of people in jail that have no access to education. We cannot ignore the fact that we have to improve this public school system. I guess at best that we are saying that as we compete for limited funds, where do you want to give the priority? No matter how much we say that those funds belong to the taxpayer, we have a very complicated system in the bill before us in order to get that money in any way to improve the quality of education.

Basically, what we are saying is parents know best. If they have the disposable income, let them save and we will be able to take the interest and do some things that, one way or the other, would be supportive of education.

My approach is entirely different. My approach says, where is the problem and how can we fix it? My approach says, let us get away from the bureaucracy and doing things like we used to do and bring in people that ultimately have to say who they need to work for them if they are going to be effective and productive. Those are the people that are hiring the people, not just graduates, but hopefully graduates that can produce something.

If these local communities that are in trouble, and it is described that they are, and you all do not have to be poor, but if you come from communities where you find students who are not making it, they make application and go into partnership with these business people, set the criteria for the curriculum, if the teachers cannot teach it, they help them to teach it and based on existing law, expand the opportunity so that bonds can be issued where the interest rates will be subsidized by credits and we can rebuild these schools, we can retrain these teachers, we can produce not only those who get diplomas, but produce kids who will be able to get jobs.

It just seems to me that no matter how much we have to support the private sector, and no one should have anything against it, that we should not be able to take the limited resources to do that until we are certain that there is a public school system there that American kids who do not have the choices, so many of whom ended up in this Congress, would at least be able to say, we have a strong public school system.

I am not asking that the labor leaders or that the politicians dictate what is going to be taught in these schools. I am asking that the partnership be with those entrepreneurs who know what they need to be competitive with foreign trade partners and we cannot do it alone.

It seems to me it is bipartisan. The Speaker, no one more than he helped to get this concept in the bill. The President yielded to make certain that it was there. The chairman of the committee, so we do have $400 million there that can be leveraged. But if we were able to take the resources that we are talking about now that can be used

only by families who do have the disposable income and to be able to say, let us have something that is good expanded, I suggest to my colleagues, it would be a higher priority.

Mr. NUSSLE. Mr. Speaker, I want to thank the distinguished ranking member of my committee, the Committee on Ways and Means, for the way he has also conducted this debate. It is a very important issue that he brings up. I ask our distinguished majority leader to close the debate for our side. I would point out that he is not only our distinguished majority leader, but he is also a teacher and a father.

Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY].

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized for 9½ minutes.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Iowa for yielding me the time. More important than being a teacher and a father, I am proud today to tell my colleagues, I am a grandfather as well.

I would like to compliment everybody that has participated in this debate today and compliment on both sides of the aisle for the interest and the concern that we have shown here.

I know the gentleman from New York (Mr. RANGEL) well. I know the gentleman from New York is also a father and a grandfather. As I look at the gentleman from New York, probably a great grandfather. But in any event, whatever the generation, I have no doubt in my mind of the love for the children that can be found with the gentleman from New York.

I believe that to be the case of all of us. We are all concerned in this country. Every one of us is concerned about the schools of this Nation and the extent to which they are in all too many cases failing our children. While we have that concern, we should stop and remind ourselves, most of the schools in most of the communities are doing very well by our children. Most of the communities are blessed with what they have. Most of the teachers are very dedicated to these children. And most of the teachers should be appreciated and treasured for their devotion to the children.

□ 1500

But we have instances where there is heartbreaking failure. Many people try to address this heartbreaking failure, and not the least of the people who have tried to do so is a person named Howard Fuller, who is the former superintendent of Milwaukee's public schools.

Howard Fuller has devoted his professional life to the schools and to the children, and he has examined all the options that come along. He has tried everything he was able to, and after a lifetime's work, he gives us some advice.

He says: ''If you are in a system, as I was as a superintendent, demanding change, but everyone there is clear that whether a single child learns or not, everyone is going to get paid, if everybody is clear that in schools that have never educated kids, each year, you are going to put more kids in there, there is not one single thing I can do about it, and all the rhetoric in the world is not going to change that.''

Mr. Fuller goes on to say: ''What I am saying is simply this, I think you have got to have a series of options for parents. I support charter schools. I support site-based management—that is real site-based management. I support anything that changes the options for parents. But I am here to say that if one of those options is not choice that gives poor parents a way to leave, the kind of pressure that you need internally is simply not to occur.''

We are inspired by Mr. Fuller's observations. We believe that what we need is parents to have an intimate control over where their child goes to school.

Now, most of us do that. I represent the suburbs of Dallas. School choice is not a very important matter for my constituents. They have made that decision by where it is they have found their home. And I can tell my colleagues that when they come into the community, as anyone does when they go into any community, every family asks, and it is very important, what are the schools like? But sometimes, because of mobility-related, or perhaps job-related, or lack of employment, people find themselves incapable of moving out of a community where they know the schools to be failures and they are incapable of finding the solution to fixing the schools that are failing their children, incapable of having in their own right the money that is necessary to take them to an alternative school.

So we tried school scholarships for some of these parents. We were resisted on that. That would be for the very, very most poor parents. We intend to do that. Those parents should have the opportunity to achieve a scholarship.

We have other parents who stand right on the cusp of being able to, and they anticipate and they know that if they can get started and they can put the savings up, when their little one is at the right age, they will be able to use their own savings to exercise school choice.

I talked to somebody the other day. I said, I thought very few people with much income in Washington, DC, have their children in the public schools. If they have the income, they will move them out to a private school alternative. One person said, well, that is true; another said that is not true, some of us leave our children in there.

Most parents think more of their children. Most parents are not going to sacrifice their children to a bad school in the interest of what feeble effort that child's presence can make to the rehabilitation of the school. Most parents want to grab their children and run. Most parents know what their child needs, cares about the child having what it needs, and desperately invests their life's hopes and dreams and prayers in the child.

Most parents realize that if only they can find a way to get their child out of this trap, the little guy has only got 1 year to be in the third grade. He has to get it right now. They cannot afford to see him lose that time. They do not want him losing his time falling behind. They want the school for his little brother, when they get him there, they want the school to be sound 4 or 5 years from now, if that is what it takes, that is great, but now their little guy has to have some chance.

We have tried these different approaches to say to moms and dads that we understand the love they have for that child. We know that they want to go into their twilight years and look at their adult youngster and say the boy is living our dream; he is happy, he is well educated, he is able, he has his own family, he has good civic skills, and we made that happen.

And while I respect very deeply the gentleman from New York's commitment to brick and mortar, I respect even more deeply the commitment of the parents of this Nation to doing what they must do, and what I can do now for my grandbaby. And this Government must know that goodness in these parents; must have the decency to respect that goodness in these parents; must respond with exactly the kind of measure that is brought to the floor that says to the parents of America, moms and dads, we know two things about this matter and we are bound to respect them: These are your children and that is your money. You are the best judge. You have the love for that child. You are making the commitment. You invested the dream and you invested the prayer in that child.

If this Government cannot stand up and proudly honor that, this Government does not deserve to represent those moms and those dads and those children.

I ask my colleagues, please, out of the respect for the parents in America that says that they need to have their right to exercise choice over their child's entire life now, please respect that, vote ''no'' on the substitute, pass this bill, and do it as a matter of honor and respect for the parents who we should cherish so much.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the amendment offered by the gentleman from New York [Mr. RANGEL].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 199, nays 224, not voting 10, as follows:

[Roll No. 523]

YEAS—199

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NAYS—224

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—10

Berman
Capps
Cubin
Flake
Foglietta
Gonzalez
Houghton
McIntosh
Schiff
Visclosky

□ 1527

The Clerk announced the following pair:

On this vote:

Mr. Capps for, with Mrs. Cubin against.

Messrs. BILBRAY, ADERHOLT and LIPINSKI changed their vote from ''yea'' to ''nay.''

Mr. GORDON and Mr. MOLLOHAN changed their vote from ''nay'' to ''yea.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CAPPS. Mr. Speaker, on rollcall No. 523, the Rangel amendment to H.R. 2646, I was unavoidably detained because of a scheduled meeting in the White House. Had I been present, I would have voted ''yea.''

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to House Resolution 274, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RANGEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 230, nays 198, not voting 6, as follows:

[Roll No. 524]

YEAS—230

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bono
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Flake
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
Lucas
Manzullo
McCollum
McCrery
McDade
McHale
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Moran (VA)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—198

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Bentsen
Berman
Berry
Blagojevich

Blumenauer	Hoyer	Owens
Boehlert	Jackson (IL)	Pallone
Bonior	Jackson-Lee (TX)	Pascrell
Borski	Jefferson	Pastor
Boswell	John	Paul
Boucher	Johnson (CT)	Payne
Brown (CA)	Johnson (WI)	Pelosi
Brown (FL)	Johnson, E. B.	Peterson (MN)
Brown (OH)	Kanjorski	Pickett
Capps	Kaptur	Pomeroy
Cardin	Kennedy (MA)	Poshard
Carson	Kennedy (RI)	Price (NC)
Clay	Kennelly	Rahall
Clayton	Kildee	Rangel
Clyburn	Kilpatrick	Reyes
Conyers	Kind (WI)	Rivers
Costello	Kleczka	Rodriguez
Coyne	Klink	Roemer
Cramer	Kucinich	Rothman
Cummings	LaFalce	Roybal-Allard
Davis (FL)	Lampson	Rush
Davis (IL)	Lantos	Sabo
DeFazio	Levin	Sanchez
DeGette	Lewis (GA)	Sanders
Delahunt	LoBiondo	Sandlin
DeLauro	Lofgren	Sawyer
Dellums	Lowey	Schumer
Deutsch	Luther	Scott
Dicks	Maloney (CT)	Serrano
Dingell	Maloney (NY)	Sherman
Dixon	Manton	Sisisky
Doggett	Markey	Skaggs
Dooley	Martinez	Skelton
Doyle	Mascara	Slaughter
Edwards	Matsui	Smith, Adam
Engel	McCarthy (MO)	Snyder
Eshoo	McCarthy (NY)	Spratt
Etheridge	McDermott	Stabenow
Evans	McGovern	Stark
Farr	McHugh	Stenholm
Fattah	McIntyre	Stokes
Fazio	McKinney	Strickland
Filner	McNulty	Stupak
Foglietta	Meehan	Thompson
Ford	Meek	Thurman
Frank (MA)	Menendez	Tierney
Frost	Millender-McDonald	Torres
Furse	Miller (CA)	Towns
Gejdenson	Minge	Traficant
Gephardt	Mink	Turner
Gordon	Moakley	Velazquez
Green	Mollohan	Vento
Gutierrez	Morella	Waters
Hamilton	Murtha	Watt (NC)
Harman	Nadler	Waxman
Hastings (FL)	Neal	Wexler
Hefner	Oberstar	Weygand
Hilliard	Obey	Wise
Hinchey	Olver	Woolsey
Hinojosa	Ortiz	Wynn
Holden		Yates
Hooley		

NOT VOTING—6

Cubin	Houghton	Schiff
Gonzalez	McIntosh	Visclosky

□ 1553

Mr. BERMAN changed his vote from ''yea'' to ''nay.''

Mr. HALL of Texas changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 1119, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. SPENCE submitted the following conference report and statement on the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–340)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 1998''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical Demilitarization Program.
Sec. 108. Defense health programs.
Sec. 109. Defense Export Loan Guarantee Program.

Subtitle B—Army Programs

Sec. 111. Army helicopter modernization plan.
Sec. 112. Multiyear procurement authority for specified Army programs.
Sec. 113. M113 vehicle modifications.

Subtitle C—Navy Programs

Sec. 121. New Attack Submarine program.
Sec. 122. CVN–77 nuclear aircraft carrier program.
Sec. 123. Exclusion from cost limitation for Seawolf submarine program.

Subtitle D—Air Force Programs

Sec. 131. Authorization for B–2 bomber program.
Sec. 132. ALR radar warning receivers.
Sec. 133. Analysis of requirements for replacement of engines on military aircraft derived from Boeing 707 aircraft.

Subtitle E—Other Matters

Sec. 141. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.
Sec. 142. NATO Joint Surveillance/Target Attack Radar System.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.
Sec. 203. Dual-use technology program.
Sec. 204. Reduction in amount for Federally Funded Research and Development Centers.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Manufacturing technology program.
Sec. 212. Report on operational field assessments program.
Sec. 213. Joint Strike Fighter program.
Sec. 214. Kinetic energy tactical anti-satellite technology program.
Sec. 215. Micro-satellite technology development program.
Sec. 216. High altitude endurance unmanned vehicle program.
Sec. 217. F–22 aircraft program.

Subtitle C—Ballistic Missile Defense Programs

Sec. 231. National Missile Defense Program.
Sec. 232. Budgetary treatment of amounts for procurement for ballistic missile defense programs.
Sec. 233. Cooperative Ballistic Missile Defense program.
Sec. 234. Annual report on threat posed to the United States by weapons of mass destruction, ballistic missiles, and cruise missiles.
Sec. 235. Director of Ballistic Missile Defense Organization.
Sec. 236. Repeal of required deployment dates for core theater missile defense programs

Subtitle D—Other Matters

Sec. 241. Restructuring of National Oceanographic Partnership Program organizations.
Sec. 242. Maintenance and repair of real property at Air Force installations.
Sec. 243. Expansion of eligibility for the Defense Experimental Program to Stimulate Competitive Research.
Sec. 244. Bioassay testing of veterans exposed to ionizing radiation during military service.
Sec. 245. Sense of Congress regarding Comanche program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Fisher House Trust Funds.
Sec. 305. Transfer from National Defense Stockpile Transaction Fund.
Sec. 306. Refurbishment of M1–A1 tanks.
Sec. 307. Operation of prepositioned fleet, National Training Center, Fort Irwin, California.
Sec. 308. Refurbishment and installation of air search radar.
Sec. 309. Contracted training flight services.
Sec. 310. Procurement technical assistance programs.
Sec. 311. Operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

Sec. 321. Monthly reports on allocation of funds within operation and maintenance budget subactivities.
Sec. 322. Expansion of scope of quarterly readiness reports.
Sec. 323. Semiannual reports on transfers from high-priority readiness appropriations.
Sec. 324. Annual report on aircraft inventory.
Sec. 325. Administrative actions adversely affecting military training or other readiness activities.
Sec. 326. Common measurement of operations tempo and personnel tempo.
Sec. 327. Inclusion of Air Force depot maintenance as operation and maintenance budget line items.

Sec. 328. Prohibition of implementation of tiered readiness system.
Sec. 329. Report on military readiness requirements of the Armed Forces.
Sec. 330. Assessment of cyclical readiness posture of the Armed Forces.
Sec. 331. Report on military exercises conducted under certain training exercises programs
Sec. 332. Report on overseas deployments.

Subtitle C—Environmental Provisions

Sec. 341. Revision of membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board.
Sec. 342. Amendments to authority to enter into agreements with other agencies in support of environmental technology certification.
Sec. 343. Modifications of authority to store and dispose of nondefense toxic and hazardous materials.
Sec. 344. Annual report on payments and activities in response to fines and penalties assessed under environmental laws.
Sec. 345. Annual report on environmental activities of the Department of Defense overseas.
Sec. 346. Review of existing environmental consequences of the presence of the Armed Forces in Bermuda.
Sec. 347. Sense of Congress on deployment of United States Armed Forces abroad for environmental preservation activities.
Sec. 348. Recovery and sharing of costs of environmental restoration at Department of Defense sites.
Sec. 349. Partnerships for investment in innovative environmental technologies.
Sec. 350. Procurement of recycled copier paper.
Sec. 351. Pilot program for the sale of air pollution emission reduction incentives.

Subtitle D—Depot-Level Activities

Sec. 355. Definition of depot-level maintenance and repair.
Sec. 356. Core logistics capabilities of Department of Defense.
Sec. 357. Increase in percentage of depot-level maintenance and repair that may be contracted for performance by non-government personnel.
Sec. 358. Annual report on depot-level maintenance and repair.
Sec. 359. Requirement for use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at closed or realigned military installations.
Sec. 360. Clarification of prohibition on management of depot employees by constraints on personnel levels.
Sec. 361. Centers of Industrial and Technical Excellence.
Sec. 362. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.
Sec. 363. Repeal of a conditional repeal of certain depot-level maintenance and repair laws and a related reporting requirement.
Sec. 364. Personnel reductions, Army depots participating in Army Workload and Performance System.
Sec. 365. Report on allocation of core logistics activities among Department of Defense facilities and private sector facilities.
Sec. 366. Review of use of temporary duty assignments for ship repair and maintenance.
Sec. 367. Sense of Congress regarding realignment of performance of ground communication-electronic workload.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 371. Reorganization of laws regarding commissaries and exchanges and other morale, welfare, and recreation activities.
Sec. 372. Merchandise and pricing requirements for commissary stores.
Sec. 373. Limitation on noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 374. Treatment of revenues derived from commissary store activities.
Sec. 375. Maintenance, repair, and renovation of Armed Forces Recreation Center, Europe.
Sec. 376. Plan for use of public and private partnerships to benefit morale, welfare, and recreation activities.

Subtitle F—Other Matters

Sec. 381. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 382. Center for Excellence in Disaster Management and Humanitarian Assistance.
Sec. 383. Applicability of Federal printing requirements to Defense Automated Printing Service.
Sec. 384. Study and notification requirements for conversion of commercial and industrial type functions to contractor performance.
Sec. 385. Collection and retention of cost information data on converted services and functions.
Sec. 386. Financial assistance to support additional duties assigned to Army National Guard.
Sec. 387. Competitive procurement of printing and duplication services.
Sec. 388. Continuation and expansion of demonstration program to identify overpayments made to vendors.
Sec. 389. Development of standard forms regarding performance work statement and request for proposal for conversion of certain operational functions of military installations.
Sec. 390. Base operations support for military installations on Guam.
Sec. 391. Warranty claims recovery pilot program.
Sec. 392. Program to investigate fraud, waste, and abuse within Department of Defense.
Sec. 393. Multitechnology automated reader card demonstration program.
Sec. 394. Reduction in overhead costs of Inventory Control Points.
Sec. 395. Inventory management.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Permanent end strength levels to support two major regional contingencies.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians (dual status).

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Limitation on number of general and flag officers who may serve in positions outside their own service.
Sec. 502. Exclusion of certain retired officers from limitation on period of recall to active duty.
Sec. 503. Clarification of officers eligible for consideration by promotion boards.
Sec. 504. Authority to defer mandatory retirement for age of officers serving as chaplains.
Sec. 505. Increase in number of officers allowed to be frocked to grades of colonel and Navy captain.
Sec. 506. Increased years of commissioned service for mandatory retirement of regular generals and admirals in grades above major general and rear admiral.
Sec. 507. Uniform policy for requirement of exemplary conduct by commanding officers and others in authority.
Sec. 508. Report on the command selection process for District Engineers of the Army Corps of Engineers.

Subtitle B—Reserve Component Matters

Sec. 511. Individual Ready Reserve activation authority.
Sec. 512. Termination of Mobilization Income Insurance Program.
Sec. 513.Correction of inequities in medical and dental care and death and disability benefits for reserve members who incur or aggravate an illness in the line of duty.
Sec. 514. Authority to permit non-unit assigned officers to be considered by vacancy promotion board to general officer grades.
Sec. 515. Prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.
Sec. 516. Involuntary separation of reserve officers in an inactive status.
Sec. 517. Federal status of service by National Guard members as honor guards at funerals of veterans.

Subtitle C—Military Technicians

Sec. 521. Authority to retain on the reserve active-status list until age 60 military technicians in the grade of brigadier general.
Sec. 522. Military technicians (dual status).
Sec. 523. Non-dual status military technicians.
Sec. 524. Report on feasibility and desirability of conversion of AGR personnel to military technicians (dual status).

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

Sec. 531. Reform of military recruiting systems.
Sec. 532. Improvements in medical prescreening of applicants for military service.
Sec. 533. Improvements in physical fitness of recruits.

Subtitle E—Military Education and Training

PART I—OFFICER EDUCATION PROGRAMS

Sec. 541. Requirement for candidates for admission to United States Naval Academy to take oath of allegiance.
Sec. 542. Service academy foreign exchange program.
Sec. 543. Reimbursement of expenses incurred for instruction at service academies of persons from foreign countries.
Sec. 544. Continuation of support to senior military colleges.
Sec. 545. Report on making United States nationals eligible for participation in Senior Reserve Officers' Training Corps.
Sec. 546. Coordination of establishment and maintenance of Junior Reserve Officers' Training Corps units to maximize enrollment and enhance efficiency.

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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

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Sec. 141. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.

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Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Army as follows:

(1) For aircraft, $1,316,233,000.

(2) For missiles, $742,639,000.

(3) For weapons and tracked combat vehicles, $1,297,641,000.

(4) For ammunition, $1,011,193,000.

(5) For other procurement, $2,566,208,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Navy as follows:

(1) For aircraft, $6,437,330,000.

(2) For weapons, including missiles and torpedoes, $1,089,443,000.

(3) For shipbuilding and conversion, $8,195,269,000.

(5) For other procurement, $2,970,867,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Marine Corps in the amount of $460,081,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for procurement of ammunition for the Navy and the Marine Corps in the amount of $364,744,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Air Force as follows:

(1) For aircraft, $6,425,749,000.

(2) For missiles, $2,376,301,000.

(3) For ammunition, $398,534,000.

(4) For other procurement, $6,543,580,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1998 for Defense-wide procurement in the amount of $2,057,150,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $70,000,000.

(2) For the Air National Guard, $303,000,000.

(3) For the Army Reserve, $75,000,000.

(4) For the Naval Reserve, $80,000,000.

(5) For the Air Force Reserve, $50,000,000.

(6) For the Marine Corps Reserve, $65,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1998 for procurement for the Inspector General of the Department of Defense in the amount of $1,800,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1998 the amount of $600,700,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $274,068,000.

SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the Department of Defense for carrying out the Defense Export Loan Guarantee Program under section 2540 of title 10, United States Code, in the total amount of $1,231,000.

Subtitle B—Army Programs

SEC. 111. ARMY HELICOPTER MODERNIZATION PLAN.

(a) LIMITATION.—Not more than 80 percent of the total of the amounts authorized to be appropriated pursuant to section 101(1), 105(1), and 105(3) for modifications or upgrades of helicopters may be obligated before the date that is 30 days after the date on which the Secretary of the Army submits to the congressional defense committees a comprehensive plan for the modernization of the Army's helicopter fleet.

(b) CONTENT OF PLAN.—The plan required by subsection (a) shall include the following:

(1) A detailed assessment of the Army's present and future helicopter requirements and present and future helicopter inventory, including number of aircraft, age of aircraft, availability of spare parts, flight hour costs, roles and functions assigned to the fleet as a whole and to its individual types of aircraft, and the mix of active component aircraft and reserve component aircraft in the fleet.

(2) Estimates and analysis of requirements and funding proposed for procurement of new aircraft.

(3) An analysis of the requirements for and funding proposed for extended service plans or service life extension plans for fleet aircraft.

(4) A plan for retiring aircraft no longer required or capable of performing assigned functions, including a discussion of opportunities to eliminate older aircraft models and to focus future funding on current or future generation aircraft.

(5) The implications of the plan for the defense industrial base.

(c) RELATIONSHIP TO FUTURE-YEARS DEFENSE PROGRAM.—The Secretary of the Army shall design the plan under subsection (a) so that the plan could be implemented within the funding levels expected to be available for Army aircraft programs in the next future-years defense program to be submitted to Congress pursuant to section 221(a) of title 10, United States Code. The Secretary shall include in the plan a certification that the program of the Army prepared for inclusion in the future-years defense program submitted to Congress in 1998 pursuant to section 221(a) of title 10, United States Code, included full funding for implementation of the plan.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR SPECIFIED ARMY PROGRAMS.

(a) AH–64D LONGBOW APACHE FIRE CONTROL RADAR.—Beginning with the fiscal year 1998 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement of the AH–64D Longbow Apache fire control radar.

(b) MEDIUM TACTICAL VEHICLES.—Beginning with the fiscal year 1998 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement of vehicles of the Family of Medium Tactical Vehicles. The contract may be for a term of four years and may include an option to extend the contract for one additional year.

SEC. 113. M113 VEHICLE MODIFICATIONS.

Of the amount made available for the Army pursuant to section 101(3), $35,244,000 shall be available only for the procurement and installation of A3 upgrade kits for the M113 vehicle.

Subtitle C—Navy Programs

SEC. 121. NEW ATTACK SUBMARINE PROGRAM.

(a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—Of the amounts authorized to be appropriated by section 102(a)(3) for fiscal year 1998, $2,599,800,000 is available for the New Attack Submarine Program.

(b) CONTRACT AUTHORITY.—(1) The Secretary of the Navy may enter into a contract for the procurement of four submarines under the New Attack Submarine program.

(2) Any contract entered into under paragraph (1)—

(A) shall, notwithstanding section 2304(k) of title 10, United States Code, be awarded to one of the two eligible shipbuilders as the prime contractor on the condition that the prime contractor enter into one or more subcontracts (under such prime contract) with the other of the two eligible shipbuilders as contemplated in the New Attack Submarine Team Agreement; and

(B) shall provide for—

(i) construction of the first submarine in fiscal year 1998; and

(ii) advance construction and advance procurement of materiel for the second, third, and fourth submarines in fiscal year 1998.

(3) The following shipbuilders are eligible for a contract under this subsection:

(A) The Electric Boat Corporation.

(B) The Newport News Shipbuilding and Drydock Company.

(4) In paragraph (2)(A), the term ''New Attack Submarine Team Agreement'' means the agreement known as the Team Agreement between Electric Boat Corporation and Newport News Shipbuilding and Drydock Company, dated February 25, 1997, that was submitted to Congress by the Secretary of the Navy on March 31, 1997.

(c) LIMITATION OF LIABILITY.—If a contract entered into under this section is terminated, the United States shall not be liable for termination costs in excess of the total amount appropriated for the New Attack Submarine program.

(d) REPEALS OF SUPERSEDED PROVISIONS OF PREVIOUS DEFENSE AUTHORIZATION LAWS.—(1) Section 131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 206) is amended—

(A) in subsection (a)(1)(B)—

(i) in clause (i), by striking out '', which shall be built by Electric Boat Division''; and

(ii) in clause (ii), by striking out '', which shall be built by Newport News Shipbuilding''; and

(B) in subsection (b), by striking out paragraph (1).

(2) Section 121 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2441) is amended—

(A) in subsection (a)—

(i) in paragraph (1)(B), by striking out ''to be built by Electric Boat Division''; and

(ii) in paragraph (1)(C), by striking out ''to be built by Newport News Shipbuilding'';

(B) in subsection (d), by striking out paragraph (2);

(C) in subsection (e), by striking out paragraph (1); and

(D) in subsection (g), by striking out ''the committees specified in subsection (e)(1)'' in paragraphs (3) and (4) and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(e) INAPPLICABILITY OF SUPERSEDED ASPECTS OF ATTACK SUBMARINE DEVELOPMENT PLAN.—The Secretary of Defense and the Secretary of the Navy are not required to carry out the portions of the program plan submitted under subsection (c) of section 131 of the National Defense Authorization Act for Fiscal Year 1996 that are included in the plan pursuant to subparagraphs (A), (B), and (E) of paragraph (2) of such subsection.

SEC. 122. CVN–77 NUCLEAR AIRCRAFT CARRIER PROGRAM.

(a) AUTHORIZATION OF SHIP.—The Secretary of the Navy is authorized to procure the aircraft carrier to be designated CVN–77, subject to the availability of appropriations for that purpose.

(b) AMOUNT AUTHORIZED FROM SCN ACCOUNT.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 1998, $50,000,000 is available for the advance procurement and advance construction of components

(including nuclear components) for the CVN–77 aircraft carrier program. The Secretary of the Navy may enter into a contract or contracts with the shipbuilder and other entities for the advance procurement and advance construction of those components.

(c) OTHER FUNDS.—Of the funds authorized to be appropriated under this Act for programs, projects, and activities of the military departments and Defense Agencies, other than the CVN–77 aircraft carrier program, up to $295,000,000 may be made available, as the Secretary of Defense may direct, for the CVN–77 aircraft carrier program. Authority to make transfers under this subsection is in addition to the transfer authority provided in section 1001.

(d) MANAGEMENT OF FUNDS.—The Secretary of the Navy shall obligate and expend the funds available for advance procurement and advance construction of components for the CVN–77 aircraft carrier program for fiscal year 1998 in a manner that is designed to result in such cost savings as may be required in order to meet the cost limitation specified in subsection (f).

(e) ADJUSTMENTS TO FUTURE-YEARS DEFENSE PROGRAM.—The Secretary of Defense shall make such plans for the CVN–77 aircraft carrier program as are necessary to attain for the program the cost savings that are contemplated for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan.

(f) LIMITATION ON TOTAL COST OF PROCUREMENT.—(1) The Secretary of the Navy shall structure the program for the procurement of the CVN–77 aircraft carrier, and shall manage that program, so that the total cost of the procurement of the CVN–77 aircraft carrier does not exceed $4,600,000,000 (such amount being the estimated cost for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan).

(2) The Secretary of the Navy may adjust the amount set forth in paragraph (1) for the CVN–77 aircraft carrier program by the following:

(A) The amounts of outfitting costs and post-delivery costs incurred for the program.

(B) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 1997.

(C) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 1997.

(D) The amounts of increases or decreases in costs of the program that are attributable to new technology built into the CVN–77 aircraft carrier, as compared to the technology built into the baseline design of the CVN–76 aircraft carrier.

(E) The amounts of increases or decreases in costs resulting from changes the Secretary proposes in the funding plan (as contemplated in the March 1997 procurement plan) on which the projected savings are based.

(3) The Secretary of the Navy shall annually submit to Congress, at the same time as the budget is submitted under section 1105(a) of title 31, United States Code, written notice of any change in the amount set forth in paragraph (1) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in paragraph (2).

(g) MARCH 1997 PROCUREMENT PLAN DEFINED.—In this section, the term ''March 1997 procurement plan'' means the procurement plan for the CVN–77 aircraft carrier that was submitted to the Navy and Congress by the shipbuilder in March 1997.

SEC. 123. EXCLUSION FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

(a) AUTHORITY TO EXCLUDE AMOUNTS APPROPRIATED FOR CANCELED VESSELS.—(1) The Secretary of the Navy may exclude from the application of the cost limitation for the Seawolf submarine program such amounts, not in excess of $272,400,000, as were appropriated for fiscal years 1990, 1991, and 1992 for procurement of Seawolf-class submarines that have been canceled.

(2) For the purposes of this subsection, the term ''cost limitation for the Seawolf submarine program'' means the limitation in section 133(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211).

(b) DETERMINATION AND REPORT BY INSPECTOR GENERAL.—(1) Not later than March 30, 1998, the Inspector General of the Department of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the Inspector General's determination as to whether any further exclusion from, adjustment to exclusion from, or increase in the dollar amount of the cost limitation referred to in subsection (a) will be required.

(2) The Inspector General shall include in the report the following:

(A) A thorough and comprehensive accounting for the amount of $745,400,000 identified by the Secretary of the Navy as having been obligated or expended for the detailed design for Seawolf-class submarines that have been canceled and for the procurement of nuclear components and construction spare parts for those canceled submarines, including a statement of the current disposition of items specifically purchased using those funds.

(B) Cost growth, if any, in the cost of construction of the SSN–21, SSN–22, and SSN–23 Seawolf-class submarines that has not been reported to Congress before the date of the report of the Inspector General.

(C) The current cost estimate of the Secretary of the Navy for completion of the SSN–21, SSN–22, and SSN–23 Seawolf-class submarines.

(3) The Inspector General shall include in the report such supporting information and analyses as the Inspector General considers appropriate for aiding in understanding the determination and findings of the Inspector General.

Subtitle D—Air Force Programs

SEC. 131. AUTHORIZATION FOR B–2 BOMBER PROGRAM.

(a) FUNDING AVAILABILITY.—Of the funds made available for procurement of aircraft for the Air Force for fiscal year 1998, the amount of $331,000,000 is available for long-lead activities related to the procurement of additional B–2 bomber aircraft. However, if the President determines that no additional B–2 bombers should be procured during fiscal year 1998 and certifies that decision to Congress, the funding authorized in the preceding sentence shall be made available to modify and repair the existing fleet of B–2 bomber aircraft.

(b) SECRETARY OF DEFENSE TO PRESERVE OPTIONS OF PRESIDENT.—The Secretary of Defense shall ensure that all appropriate actions are taken to preserve the options of the President until the panel to review long-range airpower established by section 8131 of the Department of Defense Appropriations Act, 1998 (Public Law 105–56; 111 Stat.1249), submits its report.

SEC. 132. ALR RADAR WARNING RECEIVERS.

(a) COST AND OPERATION EFFECTIVENESS ANALYSIS.—The Secretary of the Air Force shall conduct a cost and operation effectiveness analysis of upgrading the ALR69 radar warning receiver as compared with the further acquisition of the ALR56M radar warning receiver.

(b) SUBMISSION TO CONGRESS.—The Secretary shall submit the cost and operation effectiveness analysis to the congressional defense committees not later than April 2, 1998.

SEC. 133. ANALYSIS OF REQUIREMENTS FOR REPLACEMENT OF ENGINES ON MILITARY AIRCRAFT DERIVED FROM BOEING 707 AIRCRAFT.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives an analysis, to be carried out by the Under Secretary of Defense for Acquisition and Technology, of the requirements of the Department of Defense for replacing engines on the aircraft of the Department of Defense that are derived from the Boeing 707 aircraft and the costs of meeting those requirements.

(b) CONTENT.—The analysis shall include the following:

(1) The number of aircraft described in subsection (a) that are in the inventory of the Department of Defense as of October 1, 1997, and the number of such aircraft that are projected to be in the inventory of the Department as of October 1, 2002, as of October 1, 2007, and as of October 1, 2012.

(2) For each type of such aircraft, the estimated cost of operating the aircraft for each fiscal year beginning with fiscal year 1998 and ending with fiscal year 2014, taking into account historical patterns of usage and projected support costs.

(3) For each type of such aircraft, the estimated costs and the benefits of replacing the engines on the aircraft, analyzed on the basis of the experience under the limited program for replacing the engines on RC–135 aircraft that was undertaken during fiscal years 1995, 1996, and 1997.

(4) Various plans for replacement of engines that the Under Secretary considers best on the basis of costs and benefits.

(c) SUBMISSION DEADLINE.—The analysis under subsection (a) shall be submitted not later than March 1, 1998.

Subtitle E—Other Matters

SEC. 141. PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

(a) PILOT PROGRAM REQUIRED.—During fiscal years 1998 and 1999, the Secretary of the Army shall carry out a pilot program to test the efficacy and appropriateness of selling manufactured articles and services of Army industrial facilities under section 4543 of title 10, United States Code, without regard to the availability of the articles and services from United States commercial sources. In carrying out the pilot program, the Secretary may use articles manufactured at, and services provided by, not more than three Army industrial facilities.

(b) TEMPORARY WAIVER OF REQUIREMENT FOR DETERMINATION OF UNAVAILABILITY FROM DOMESTIC SOURCE.—Under the pilot program, the Secretary of the Army is not required under section 4543(a)(5) of title 10, United States Code, to determine whether an article or service is available from a commercial source located in the United States in the case of any of the following sales for which a solicitation of offers is issued during fiscal year 1998 or 1999:

(1) A sale of articles to be incorporated into a weapon system being procured by the Department of Defense.

(2) A sale of services to be used in the manufacture of a weapon system being procured by the Department of Defense.

(c) REVIEW BY INSPECTOR GENERAL.—The Inspector General of the Department of Defense shall review the experience under the pilot program under this section and, not later than July 1, 1999, submit to Congress a report on the results of the review. The report shall contain the following:

(1) The Inspector General's views regarding the extent to which the waiver under subsection (b) enhances the opportunity for United States manufacturers, assemblers, developers, and other concerns to enter into or participate in contracts and teaming arrangements with Army industrial facilities under weapon system programs of the Department of Defense.

(2) The Inspector General's views regarding the extent to which the waiver under subsection (b) enhances the opportunity for Army industrial facilities referred to in section 4543(a) of

title 10, United States Code, to enter into or participate in contracts and teaming arrangements with United States manufacturers, assemblers, developers, and other concerns under weapon system programs of the Department of Defense.

(3) The Inspector General's views regarding the effect of the waiver under subsection (b) on the ability of small businesses to compete for the sale of manufactured articles or services in the United States in competitions to enter into or participate in contracts and teaming arrangements under weapon system programs of the Department of Defense.

(4) Specific examples under the pilot program that support the Inspector General's views.

(5) Any other information that the Inspector General considers pertinent regarding the effects of the waiver of section 4543(a)(5) of title 10, United States Code, under the pilot program on opportunities for United States manufacturers, assemblers, developers, or other concerns, and for Army industrial facilities, to enter into or participate in contracts and teaming arrangements under weapon system programs of the Department of Defense.

(6) Any recommendations that the Inspector General considers appropriate regarding continuation or modification of the policy set forth in section 4543(a)(5) of title 10, United States Code.

SEC. 142. NATO JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM.

(a) FUNDING.—Amounts authorized to be appropriated under this title and title II are available for a NATO alliance ground surveillance capability that is based on the Joint Surveillance/Target Attack Radar System of the United States, as follows:

(1) Of the amount authorized to be appropriated under section 101(5), $26,153,000.

(2) Of the amount authorized to be appropriated under section 103(1), $10,000,000.

(3) Of the amount authorized to be appropriated under section 201(1), $13,500,000.

(4) Of the amount authorized to be appropriated under section 201(3), $26,061,000.

(b) AUTHORITY.—(1) Subject to paragraph (2), the Secretary of Defense may utilize authority under section 2350b of title 10, United States Code, for contracting for the purposes of Phase I of a NATO Alliance Ground Surveillance capability that is based on the Joint Surveillance/Target Attack Radar System of the United States, notwithstanding the condition in such section that the authority be utilized for carrying out contracts or obligations incurred under section 27(d) of the Arms Export Control Act (22 U.S.C. 2767(d)).

(2) The authority under paragraph (1) applies during the period that the conclusion of a cooperative project agreement for a NATO Alliance Ground Surveillance capability under section 27(d) of the Arms Export control Act is pending, as determined by the Secretary of Defense.

(c) MODIFICATION OF AIR FORCE AIRCRAFT.—Amounts available pursuant to paragraphs (2) and (4) of subsection (a) may be used to provide for modifying two Air Force Joint Surveillance/Target Attack Radar System production aircraft to have a NATO Alliance Ground Surveillance capability that is based on the Joint Surveillance/Target Attack Radar System of the United States.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.
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Sec. 204. Reduction in amount for Federally Funded Research and Development Centers.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Manufacturing technology program.
Sec. 212. Report on operational field assessments program.
Sec. 213. Joint Strike Fighter program.
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Sec. 215. Micro-satellite technology development program.
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Sec. 217. F–22 aircraft program.

Subtitle C—Ballistic Missile Defense Programs

Sec. 231. National Missile Defense Program.
Sec. 232. Budgetary treatment of amounts for procurement for ballistic missile defense programs.
Sec. 233. Cooperative Ballistic Missile Defense program.
Sec. 234. Annual report on threat posed to the United States by weapons of mass destruction, ballistic missiles, and cruise missiles.
Sec. 235. Director of Ballistic Missile Defense Organization.
Sec. 236. Repeal of required deployment dates for core theater missile defense programs

Subtitle D—Other Matters

Sec. 241. Restructuring of National Oceanographic Partnership Program organizations.
Sec. 242. Maintenance and repair of real property at Air Force installations.
Sec. 243. Expansion of eligibility for the Defense Experimental Program to Stimulate Competitive Research.
Sec. 244. Bioassay testing of veterans exposed to ionizing radiation during military service.
Sec. 245. Sense of Congress regarding Comanche program.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,633,495,000.

(2) For the Navy, $7,774,877,000.

(3) For the Air Force, $14,338,934,000.

(4) For Defense-wide activities, $9,831,646,000, of which—

(A) $258,183,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $27,384,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 1998.—Of the amounts authorized to be appropriated by section 201, $3,935,390,000 shall be available for basic research and applied research projects.

(b) BASIC RESEARCH AND APPLIED RESEARCH DEFINED.—For purposes of this section, the term ''basic research and applied research'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. DUAL-USE SCIENCE AND TECHNOLOGY PROGRAM.

(a) FUNDING 1998.—Of the amounts authorized to be appropriated by section 201, $75,000,000 is authorized for dual-use projects.

(b) GOALS.—(1) Subject to paragraph (3), it shall be the objective of the Secretary of each military department to obligate for dual-use projects in each fiscal year referred to in paragraph (2), out of the total amount authorized to be appropriated for such fiscal year for the applied research programs of the military department, the percent of such amount that is specified for that fiscal year in paragraph (2).

(2) The objectives for fiscal years under paragraph (1) are as follows:

(A) For fiscal year 1998, 5 percent.

(B) For fiscal year 1999, 7 percent.

(C) For fiscal year 2000, 10 percent.

(D) For fiscal year 2001, 15 percent.

(3) The Secretary of Defense may establish for a military department for a fiscal year an objective different from the objective set forth in paragraph (2) if the Secretary—

(A) determines that compelling national security considerations require the establishment of the different objective; and

(2) notifies Congress of the determination and the reasons for the determination.

(c) DESIGNATION OF OFFICIAL FOR DUAL-USE PROGRAMS.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to carry out responsibilities for dual-use projects under this subsection. The designated official shall report directly to the Under Secretary of Defense for Acquisition and Technology.

(2) The primary responsibilities of the designated official shall include developing policy and overseeing the establishment of, and adherence to, procedures for ensuring that dual-use projects are initiated and administered effectively and that applicable commercial technologies are integrated into current and future military systems.

(3) In carrying out the responsibilities, the designated official shall ensure that—

(A) dual-use projects are consistent with the joint warfighting science and technology plan referred to in section 270 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 2501 note); and

(B) the dual-use projects of the military departments and defense agencies of the Department of Defense are coordinated and avoid unnecessary duplication.

(d) FINANCIAL COMMITMENT OF NON-FEDERAL GOVERNMENT PARTICIPANTS.—The total amount of funds provided by a military department for a dual-use project entered into by the Secretary of that department shall not exceed 50 percent of the total cost of the project. In the case of a dual-use project initiated after the date of the enactment of this Act, the Secretary may consider in-kind contributions by non-Federal participants only to the extent such contributions constitute 50 percent or less of the share of the project costs by such participants.

(e) USE OF COMPETITIVE PROCEDURES.—Funds obligated for a dual-use project may be counted toward meeting an objective under subsection (a) only if the funds are obligated for a contract, grant, cooperative agreement, or other transaction that was entered into through the use of competitive procedures.

(f) REPORT.—(1) Not later than March 1 of each of 1998, 1999, and 2000, the Secretary of Defense shall submit a report to the congressional defense committees on the progress made by the Department of Defense in meeting the objectives set forth in subsection (b) during the preceding fiscal year.

(2) The report for a fiscal year shall contain, at a minimum, the following:

(A) The aggregate value of all contracts, grants, cooperative agreements, or other transactions entered into during the fiscal year for which funding is counted toward meeting an objective under this section, expressed in relationship to the total amount appropriated for the applied research programs in the Department of Defense for that fiscal year.

(B) For each military department, the value of all contracts, grants, cooperative agreements, or other transactions entered into during the fiscal year for which funding is counted toward meeting an objective under this section, expressed in relationship to the total amount appropriated for the applied research program of the military department for that fiscal year.

(C) A summary of the cost-sharing arrangements in dual-use projects that were initiated during the fiscal year and are counted toward reaching an objective under this section.

(D) A description of the regulations, directives, or other procedures that have been issued

by the Secretary of Defense or the Secretary of a military department to increase the percentage of the total value of the dual-use projects undertaken to meet or exceed an objective under this section.

(E) Any recommended legislation to facilitate achievement of objectives under this section.

(g) COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE.—(1) The Secretary of Defense shall establish a Commercial Operations and Support Savings Initiative (in this subsection referred to as the ''Initiative'') to develop commercial products and processes that the military departments can incorporate into operational military systems to reduce costs of operations and support.

(2) Of the amounts authorized to be appropriated by section 201, $50,000,000 is authorized for the Initiative.

(3) Projects and participants in the Initiative shall be selected through the use of competitive procedures.

(4) The budget submitted to Congress by the President for fiscal year 1999 and each fiscal year thereafter pursuant to section 1105(a) of title 31, United States Code, shall set forth separately the funding request for the Initiative.

(h) REPEAL OF SUPERSEDED AUTHORITY.—Section 203 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2451) is repealed.

(i) DEFINITIONS.—In this section:

(1) The term ''applied research program'' means a program of a military department which is funded under the 6.2 Research, Development, Test and Evaluation account of that department.

(2) The term ''dual-use project'' means a project under a program of a military department or a defense agency under which research or development of a dual-use technology is carried out and the costs of which are shared by the Department of Defense and non-Government entities.

SEC. 204. REDUCTION IN AMOUNT FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

The total of the amounts authorized to be appropriated in section 201 that are available for Federally Funded Research and Development Centers (other than amounts for capital equipment investment) is hereby reduced by $42,000,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. MANUFACTURING TECHNOLOGY PROGRAM.

(a) PARTICIPATION OF MANUFACTURERS.—Section 2525(c)(2) of title 10, United States Code, is amended to read as follows:

''(2) In order to promote increased dissemination and use of manufacturing technology throughout the national defense technology and industrial base, the Secretary shall seek, to the maximum extent practicable, the participation of manufacturers of manufacturing equipment in the projects under the program.''.

(b) FIVE-YEAR PLAN.—Section 2525 of such title is amended by adding at the end the following new subsection:

''(e) FIVE-YEAR PLAN.—(1) The Secretary of Defense shall prepare a five-year plan for the program which establishes—

''(A) the overall manufacturing technology goals, milestones, priorities, and investment strategy for the program; and

''(B) for each of the five fiscal years covered by the plan, the objectives of, and funding for the program by, each military department and each Defense Agency participating in the program.

''(2) The plan shall include an assessment of the effectiveness of the program.

''(3) The plan shall be updated annually and shall be included in the budget justification documents submitted in support of the budget of the Department of Defense for a fiscal year (as included in the budget of the President submitted to Congress under section 1105 of title 31).''.

(c) DEADLINE FOR FIRST PLAN.—The Secretary of Defense shall prepare the first five-year plan required under section 2525(e) of such title, as added by subsection (b), within 60 days after the date of the enactment of this Act.

SEC. 212. REPORT ON OPERATIONAL FIELD ASSESSMENTS PROGRAM.

(a) FINDING.—Congress recognizes the potential value that the Department of Defense Operational Field Assessments program, which is managed by the Director of Operational Test and Evaluation, provides to the commanders of the Unified Combatant Commands with respect to assessment of the effectiveness of near-term operational concepts and critical operational issues in quick-response operational tests and evaluations.

(b) REPORT.—Not later than March 30, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the Operational Field Assessments program.

(c) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the Operational Field Assessments program which describes the goals and objectives of the program, assessments by the program conducted as of the date of the submission of the report, and the results of those assessments.

(2) A description of the current management and support structure of the program within the Department of Defense, including a description of how program responsibilities are assigned within the Office of the Secretary of Defense and a description of the roles of the Joint Staff, the commanders of the Unified Combatant Commands, and the military departments.

(3) An analysis of and recommendations regarding the management structure required within the Office of the Secretary of Defense to ensure that the program is responsive to the mission needs of the commanders of the Unified Combatant Commands.

(4) The funding plan for the program.

(5) A description of future plans for the program and funding requirements for those plans.

(6) Recommendations regarding additional statutory authority that may be required for the program.

SEC. 213. JOINT STRIKE FIGHTER PROGRAM.

(a) REPORT.—Not later than February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the options for the sequence in which the variants of the joint strike fighter are to be produced and fielded.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A review of the plan for production under the Joint Strike Fighter program that was used by the Department of Defense for developing the funding estimates for the fiscal year 1999 budget request for the Department of Defense.

(2) An estimate of the costs, and an analysis of the costs and benefits, of producing the joint strike fighter variants in a sequence that provides for fielding of the naval variant of the aircraft first.

(3) A comparison of the costs and benefits of the various options for the sequence for fielding the variants of the joint strike fighter that the Secretary of Defense considers likely to be the options from among which a sequence for fielding is selected, including a discussion of the effects that selection of each such option would have on the costs and rates of production of the units of F/A–18E/F and F–22 aircraft that are in production when the Joint Strike Fighter Program proceeds into production.

(4) A certification that the Joint Strike Fighter Program contains sufficient funding to carry out an alternate engine development program that includes flight qualification of an alternate engine in a joint strike fighter airframe.

(c) LIMITATION ON USE OF FUNDS PENDING SUBMISSION OF REPORT.—Not more than 90 percent of the total amount authorized to be appropriated under this Act for the Joint Strike Fighter Program may be obligated until the date that is 30 days after the date on which the congressional defense committees receive the report required under this section.

(d) FISCAL YEAR 1998 BUDGET DEFINED.—In this section, the term ''fiscal year 1999 budget request for the Department of Defense'' means the budget estimates for the Department of Defense for fiscal year 1999 that were submitted to Congress by the Secretary of Defense in connection with the submission of the budget for fiscal year 1998 to Congress under section 1105 of title 31, United States Code.

SEC. 214. KINETIC ENERGY TACTICAL ANTI-SATELLITE TECHNOLOGY PROGRAM.

Of the funds authorized to be appropriated under section 201(4), $37,500,000 shall be available for the kinetic energy tactical anti-satellite technology program.

SEC. 215. MICRO-SATELLITE TECHNOLOGY DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT OF MICRO-SATELLITE TECHNOLOGY DEVELOPMENT PROGRAM.—The Secretary of Defense shall restructure the Clementine 2 micro-satellite development program into a micro-satellite technology development program that supports a range of space mission areas.

(b) REPORT.—Not later than February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a report describing the structure and objectives of the micro-satellite technology development program established under subsection (a) and how the program can benefit existing or future space systems or architectures.

SEC. 216. HIGH ALTITUDE ENDURANCE UNMANNED VEHICLE PROGRAM.

(a) LIMITATION ON TOTAL COST OF ADVANCED CONCEPT TECHNOLOGY DEMONSTRATION.—The total amount obligated or expended for advanced concept technology demonstration under the High Altitude Endurance Unmanned Vehicle Program for fiscal year 1998 through fiscal year 2003 may not exceed $476,826,000.

(b) LIMITATION ON PROCUREMENT.—The Secretary of Defense may not procure any high altitude endurance unmanned vehicles, other than the currently planned vehicles, until the completion of the testing identified in phase II of the test and demonstration plan for the advanced concept technology demonstration for the vehicles.

(c) LIMITATION ON PROCEEDING.—The High Altitude Endurance Unmanned Vehicle Program may not proceed beyond advanced concept technology demonstration until the Secretary of Defense—

(1) provides to Congress a firm unit cost (referred to in this section as the ''fly away cost'') for each of the currently planned vehicles; and

(2) certifies to Congress the military suitability and the worth of each such vehicle.

(d) GAO REVIEW.—(1) The Comptroller General shall review the High Altitude Endurance Unmanned Vehicle Program for purposes of determining whether the average fly away cost for each vehicle is within the cost goal under the program of $10,000,000.

(2) The Secretary of Defense and the prime contractors under the High Altitude Endurance Unmanned Vehicle Program shall provide the Comptroller General with such information on the program as the Comptroller considers necessary to make the determination under paragraph (1).

(e) CURRENTLY PLANNED VEHICLES.—In this section, the term ''currently planned vehicles'' means the four Dark Star air vehicles and the five Global Hawk air vehicles that have been approved for procurement by the Secretary of Defense as of the date of the enactment of this Act.

SEC. 217. F–22 AIRCRAFT PROGRAM.

(a) LIMITATION ON TOTAL COST OF ENGINEERING AND MANUFACTURING DEVELOPMENT.—The

total amount obligated or expended for engineering and manufacturing development under the F–22 aircraft program may not exceed $18,688,000,000.

(b) LIMITATION ON TOTAL COST OF PRODUCTION.—The total amount obligated or expended for the F–22 production program may not exceed $43,400,000,000.

(c) ADJUSTMENT OF LIMITATION AMOUNTS.—The Secretary of the Air Force shall adjust the amounts of the limitations set forth in subsections (a) and (b) by the following amounts:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 1997.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 1997.

(d) ANNUAL GAO REVIEW.—(1) Not later than March 15 of each year, the Comptroller General shall review the F–22 aircraft program and submit to Congress a report on the results of the review. The Comptroller General shall also submit to Congress for each report a certification regarding whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

(2) The report submitted on the program each year shall include the following:

(A) The extent to which engineering and manufacturing development under the program is meeting the goals established for engineering and manufacturing development under the program, including the performance, cost, and schedule goals.

(B) The status of modifications expected to have a significant effect on cost or performance of F–22 aircraft.

(C) The plan for engineering and manufacturing development (leading to production) under the program for the fiscal year that begins in the following year.

(D) A conclusion regarding whether the plan referred to in subparagraph (C) is consistent with the limitation in subsection (a).

(E) A conclusion regarding whether engineering and manufacturing development (leading to production) under the program is likely to be completed at a total cost not in excess of the amount specified in subsection (a).

(3) The Comptroller General shall submit the first report under this subsection not later than March 15, 1998. No report is required under this subsection after engineering and manufacturing development under the program has been completed.

(e) REQUIREMENT TO SUPPORT ANNUAL GAO REVIEW.—The Secretary of Defense and the prime contractors under the F–22 aircraft program shall provide the Comptroller General with such information on the program as the Comptroller General considers necessary to carry out the responsibilities under subsection (d).

(f) LIMITATION ON OBLIGATION OF FUNDS.—Of the total amount authorized to be appropriated for the F–22 aircraft program for a fiscal year, not more than 90 percent of the amount may be obligated until the Comptroller General submits to Congress—

(1) the report required to be submitted in that fiscal year under subsection (d); and

(2) a certification regarding whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

Subtitle C—Ballistic Missile Defense Programs

SEC. 231. NATIONAL MISSILE DEFENSE PROGRAM.

(a) PROGRAM STRUCTURE.—To preserve the option of achieving an initial operational capability in fiscal year 2003, the Secretary of Defense shall ensure that the National Missile Defense Program is structured and programmed for funding so as to support a test, in fiscal year 1999, of an integrated national missile defense system that is representative of the national missile defense system architecture that could achieve initial operational capability in fiscal year 2003.

(b) ELEMENTS OF NMD SYSTEM.—The national missile defense system architecture specified in subsection (a) shall consist of the following elements:

(1) An interceptor system that optimizes defensive coverage of the continental United States, Alaska, and Hawaii against limited ballistic missile attack (whether accidental, unauthorized, or deliberate).

(2) Ground-based radars.

(3) Space-based sensors.

(4) Battle management, command, control, and communications (BM/C³).

(c) PLAN FOR NMD SYSTEM DEVELOPMENT AND DEPLOYMENT.—Not later than February 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a plan for the development and deployment of a national missile defense system that could achieve initial operational capability in fiscal year 2003. The plan shall include the following matters:

(1) A detailed description of the system architecture selected for development.

(2) A discussion of the justification for the selection of that particular architecture.

(3) The Secretary's estimate of the amounts of the appropriations that would be necessary for research, development, test, evaluation, and for procurement for each of fiscal years 1999 through 2003 in order to achieve an initial operational capability of the system architecture in fiscal year 2003.

(4) For each activity necessary for the development and deployment of the national missile defense system architecture selected by the Secretary that would at some point conflict with the terms of the ABM Treaty, if any—

(A) a description of the activity;

(B) a description of the point at which the activity would conflict with the terms of the ABM Treaty;

(C) the legal analysis justifying the Secretary's determination regarding the point at which the activity would conflict with the terms of the ABM Treaty; and

(D) an estimate of the time at which such point would be reached in order to achieve a test of an integrated missile defense system in fiscal year 1999 and initial operational capability of such a system in fiscal year 2003.

(d) FUNDING FOR FISCAL YEAR 1998.—Of the funds authorized to be appropriated under section 201(4), $978,091,000 shall be available for the National Missile Defense Program.

(e) ABM TREATY DEFINED.—In this section, the term ''ABM Treaty'' means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, and includes the Protocol to that treaty, signed at Moscow on July 3, 1974.

SEC. 232. BUDGETARY TREATMENT OF AMOUNTS FOR PROCUREMENT FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) REQUIREMENT FOR INCLUSION IN BUDGET OF BMDO.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 222 the following new section:

''§ 224. Ballistic missile defense programs: display of amounts for procurement

''(a) REQUIREMENT.—Any amount in the budget submitted to Congress under section 1105 of title 31 for any fiscal year for procurement for a Department of Defense missile defense program described in subsection (b) shall be set forth under the account of the Department of Defense for Defense-wide procurement and, within that account, under the subaccount (or other budget activity level) for the Ballistic Missile Defense Organization.

''(b) COVERED PROGRAMS.—Subsection (a) applies to the following missile defense programs of the Department of Defense:

''(1) The National Missile Defense program.

''(2) Any system that is part of the core theater missile defense program.

''(3) Any other ballistic missile defense program that enters production after the date of the enactment of this section and for which research, development, test, and evaluation was carried out by the Ballistic Missile Defense Organization.

''(c) CORE THEATER BALLISTIC MISSILE DEFENSE PROGRAM.—For purposes of this section, the core theater missile defense program consists of the systems specified in section 234 of the Ballistic Missile Defense Act of 1995 (10 U.S.C. 2431 note).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 222 the following new item:

''224. Ballistic missile defense programs: display of amounts for procurement.''.

(b) FISCAL YEAR 1998 FUNDS.—(1) The Secretary of Defense shall transfer to appropriations available to the Ballistic Missile Defense Organization for procurement for fiscal year 1998 any amounts that are appropriated for procurement for that fiscal year for any of the Armed Forces by reason of the transference of certain programs to accounts of the Army, Navy, Air Force, and Marine Corps pursuant to Program Budget Decision 224C3, signed by the Under Secretary of Defense (Comptroller) on December 23, 1996.

(2) Any transfer pursuant to paragraph (1) shall not be counted for purposes of section 1001.

SEC. 233. COOPERATIVE BALLISTIC MISSILE DEFENSE PROGRAM.

(a) REQUIREMENT FOR NEW PROGRAM ELEMENT.—The Secretary of Defense shall establish a program element for the Ballistic Missile Defense Organization, to be referred to as the ''Cooperative Ballistic Missile Defense Program'', to support technical and analytical cooperative efforts between the United States and other nations that contribute to United States ballistic missile defense capabilities. Except as provided in subsection (b), all international cooperative ballistic missile defense programs of the Department of Defense shall be budgeted and administered through that program element.

(b) AUTHORITY FOR EXCEPTIONS.—The Secretary of Defense may exclude from the program element established pursuant to subsection (a) any international cooperative ballistic missile defense program of the Department of Defense that after the date of the enactment of this Act is designated by the Secretary of Defense (pursuant to applicable Department of Defense acquisition regulations and policy) to be managed as a separate acquisition program.

(c) RELATIONSHIP TO OTHER PROGRAM ELEMENTS.—The program element established pursuant to subsection (a) is in addition to the program elements for activities of the Ballistic Missile Defense Organization required under section 251 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 233; 10 U.S.C. 221 note).

SEC. 234. ANNUAL REPORT ON THREAT POSED TO THE UNITED STATES BY WEAPONS OF MASS DESTRUCTION, BALLISTIC MISSILES, AND CRUISE MISSILES.

(a) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress by January 30 of each year a report on the threats posed to the United States and allies of the United States—

(1) by weapons of mass destruction, ballistic missiles, and cruise missiles; and

(2) by the proliferation of weapons of mass destruction, ballistic missiles, and cruise missiles.

(b) CONSULTATION.—Each report submitted under subsection (a) shall be prepared in consultation with the Director of Central Intelligence.

(c) MATTERS TO BE INCLUDED.—Each report submitted under subsection (a) shall include the following:

(1) Identification of each foreign country and non-State organization that possesses weapons of mass destruction, ballistic missiles, or cruise missiles, and a description of such weapons and missiles with respect to each such foreign country and non-State organization.

(2) A description of the means by which any foreign country and non-State organization that has achieved capability with respect to weapons of mass destruction, ballistic missiles, or cruise missiles has achieved that capability, including a description of the international network of foreign countries and private entities that provide assistance to foreign countries and non-State organizations in achieving that capability.

(3) An examination of the doctrines that guide the use of weapons of mass destruction in each foreign country that possesses such weapons.

(4) An examination of the existence and implementation of the control mechanisms that exist with respect to nuclear weapons in each foreign country that possesses such weapons.

(5) Identification of each foreign country and non-State organization that seeks to acquire or develop (indigenously or with foreign assistance) weapons of mass destruction, ballistic missiles, or cruise missiles, and a description of such weapons and missiles with respect to each such foreign country and non-State organization.

(6) An assessment of various possible timelines for the achievement by foreign countries and non-State organizations of capability with respect to weapons of mass destruction, ballistic missiles, and cruise missiles, taking into account the probability of whether the Russian Federation and the People's Republic of China will comply with the Missile Technology Control Regime, the potential availability of assistance from foreign technical specialists, and the potential for independent sales by foreign private entities without authorization from their national Governments.

(7) For each foreign country or non-State organization that has not achieved the capability to target the United States or its territories with weapons of mass destruction, ballistic missiles, or cruise missiles as of the date of the enactment of this Act, an estimate of how far in advance the United States is likely to be warned before such foreign country or non-State organization achieves that capability.

(8) For each foreign country or non-State organization that has not achieved the capability to target members of the United States Armed Forces deployed abroad with weapons of mass destruction, ballistic missiles, or cruise missiles as of the date of the enactment of this Act, an estimate of how far in advance the United States is likely to be warned before such foreign country or non-State organization achieves that capability.

(d) CLASSIFICATION.—Each report under subsection (a) shall be submitted in classified and unclassified form.

SEC. 235. DIRECTOR OF BALLISTIC MISSILE DEFENSE ORGANIZATION.

(a) IN GENERAL.—Subchapter II of chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 203. Director of Ballistic Missile Defense Organization

''If an officer of the armed forces on active duty is appointed to the position of Director of the Ballistic Missile Defense Organization, the position shall be treated as having been designated by the President as a position of importance and responsibility for purposes of section 601 of this title and shall carry the grade of lieutenant general or general or, in the case of an officer of the Navy, vice admiral or admiral.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

''203. Director of Ballistic Missile Defense Organization.''.

SEC. 236. REPEAL OF REQUIRED DEPLOYMENT DATES FOR CORE THEATER MISSILE DEFENSE PROGRAMS.

Section 234(a) of the Ballistic Missile Defense Act of 1995 (subtitle C of title II of Public Law 104–106; 110 Stat. 229; 10 U.S.C. 2431 note) is amended—

(1) in the matter preceding paragraph (1), by striking out '', to be carried out so as to achieve the specified capabilities'';

(2) in paragraph (1), by striking out '', with a first unit equipped (FUE) during fiscal year 1998'';

(3) in paragraph (2), by striking out ''Navy Lower Tier (Area) system'' and all that follows through ''fiscal year 1999'' and inserting in lieu thereof ''Navy Area Defense system'';

(4) in paragraph (3), by striking out '', with a'' and all that follows through ''fiscal year 2000''; and

(5) in paragraph (4), by striking out ''Navy Upper Tier'' and all that follows through ''fiscal year 2001'' and inserting in lieu thereof ''Navy Theater Wide system''.

Subtitle D—Other Matters

SEC. 241. RESTRUCTURING OF NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM ORGANIZATIONS.

(a) NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.—Section 7902 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out paragraphs (11), (14), (15), (16) and (17); and

(B) by redesignating paragraphs (12) and (13) as paragraphs (11) and (12), respectively;

(2) by striking out subsection (d); and

(3) by redesignating subsections (e), (f), (g), (h), and (i) as subsections (d), (e), (f), (g), and (h), respectively.

(b) OCEAN RESEARCH ADVISORY PANEL.—(1) The text of section 7903 of such title is amended to read as follows:

''(a) ESTABLISHMENT.—The Council shall establish an Ocean Research Advisory Panel consisting of not less than 10 and not more than 18 members appointed by the chairman, including the following:

''(1) One member who will represent the National Academy of Sciences.

''(2) One member who will represent the National Academy of Engineering

''(3) One member who will represent the Institute of Medicine.

''(4) Members selected from among individuals who will represent the views of ocean industries, State governments, academia, and such other views as the chairman considers appropriate.

''(5) Members selected from among individuals eminent in the fields of marine science or marine policy, or related fields.

''(b) RESPONSIBILITIES.—The Council shall assign the following responsibilities to the Advisory Panel:

''(1) To advise the Council on policies and procedures to implement the National Oceanographic Partnership Program.

''(2) To advise the Council on selection of partnership projects and allocation of funds for partnership projects for implementation under the program.

''(3) To advise the Council on matters relating to national oceanographic data requirements.

''(4) Any additional responsibilities that the Council considers appropriate.

''(c) FUNDING.—The Secretary of the Navy annually shall make funds available to support the activities of the Advisory Panel.''.

(2) Section 282(c) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2473) is amended by striking out ''January 1, 1997'' and inserting in lieu thereof ''January 1, 1998''.

(c) CONFORMING AMENDMENTS.—Section 282 of the National Defense Authorization Act for Fiscal Year 1997 is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be effective as of September 23, 1996, as if included in section 282 of Public Law 104–201.

SEC. 242. MAINTENANCE AND REPAIR OF REAL PROPERTY AT AIR FORCE INSTALLATIONS.

(a) IN GENERAL.—Chapter 949 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 9782. Maintenance and repair of real property

''(a) ALLOCATION OF FUNDS.—The Secretary of the Air Force shall allocate funds authorized to be appropriated by a provision described in subsection (c) and a provision described in subsection (d) for maintenance and repair of real property at military installations of the Department of the Air Force without regard to whether the installation is supported with funds authorized by a provision described in subsection (c) or (d).

''(b) MIXING OF FUNDS PROHIBITED ON INDIVIDUAL PROJECTS.—The Secretary of the Air Force may not combine funds authorized to be appropriated by a provision described in subsection (c) and funds authorized to be appropriated by a provision described in subsection (d) for an individual project for maintenance and repair of real property at a military installation of the Department of the Air Force.

''(c) RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS.—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for research, development, test, and evaluation.

''(d) OPERATION AND MAINTENANCE FUNDS.—The provision described in this subsection is a provision of a national defense authorization Act that authorizes funds to be appropriated for a fiscal year to the Air Force for operation and maintenance.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''9782. Maintenance and repair of real property.''.

SEC. 243. EXPANSION OF ELIGIBILITY FOR THE DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; U.S.C. 2358 note) is amended by adding at the end (the following new subsection:

''(f) STATE DEFINED.—In this section, the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.''.

SEC. 244. BIOASSAY TESTING OF VETERANS EXPOSED TO IONIZING RADIATION DURING MILITARY SERVICE.

(a) NUCLEAR TEST PERSONNEL PROGRAM.—Of the amount provided in section 201(4), $300,000 shall be available for testing described in subsection (b) in support of the Nuclear Test Personnel Program conducted by the Defense Special Weapons Agency.

(b) COVERED TESTING.—Subsection (a) applies to the third phase of bioassay testing of individuals who are radiation-exposed veterans (as defined in section 1112(c)(3)(A) of title 38, United States Code) who participated in radiation-risk activities (as defined in section 1112(c)(3)(B) of such title).

SEC. 245. SENSE OF CONGRESS REGARDING COMANCHE PROGRAM.

It is the sense of Congress that the Department of Defense should—

(1) evaluate technology transfer and acquisition initiatives within the Army Comanche program that have the potential to increase the efficiency or reduce the risk of the Comanche program; and

(2) include adequate funding for those initiatives that the Department deems to be meritorious in the future-years defense program (as submitted to Congress under section 221 of title 10, United States Code).

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Fisher House Trust Funds.
Sec. 305. Transfer from National Defense Stockpile Transaction Fund.
Sec. 306. Refurbishment of M1–A1 tanks.
Sec. 307. Operation of prepositioned fleet, National Training Center, Fort Irwin, California.
Sec. 308. Refurbishment and installation of air search radar.
Sec. 309. Contracted training flight services.
Sec. 310. Procurement technical assistance programs.
Sec. 311. Operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

Sec. 321. Monthly reports on allocation of funds within operation and maintenance budget subactivities.
Sec. 322. Expansion of scope of quarterly readiness reports.
Sec. 323. Semiannual reports on transfers from high-priority readiness appropriations.
Sec. 324. Annual report on aircraft inventory.
Sec. 325. Administrative actions adversely affecting military training or other readiness activities.
Sec. 326. Common measurement of operations tempo and personnel tempo.
Sec. 327. Inclusion of Air Force depot maintenance as operation and maintenance budget line items.
Sec. 328. Prohibition of implementation of tiered readiness system.
Sec. 329. Report on military readiness requirements of the Armed Forces.
Sec. 330. Assessment of cyclical readiness posture of the Armed Forces.
Sec. 331. Report on military exercises conducted under certain training exercises programs
Sec. 332. Report on overseas deployments.

Subtitle C—Environmental Provisions

Sec. 341. Revision of membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board.
Sec. 342. Amendments to authority to enter into agreements with other agencies in support of environmental technology certification.
Sec. 343. Modifications of authority to store and dispose of nondefense toxic and hazardous materials.
Sec. 344. Annual report on payments and activities in response to fines and penalties assessed under environmental laws.
Sec. 345. Annual report on environmental activities of the Department of Defense overseas.
Sec. 346. Review of existing environmental consequences of the presence of the Armed Forces in Bermuda.
Sec. 347. Sense of Congress on deployment of United States Armed Forces abroad for environmental preservation activities.
Sec. 348. Recovery and sharing of costs of environmental restoration at Department of Defense sites.
Sec. 349. Partnerships for investment in innovative environmental technologies.
Sec. 350. Procurement of recycled copier paper.
Sec. 351. Pilot program for the sale of air pollution emission reduction incentives.

Subtitle D—Depot-Level Activities

Sec. 355. Definition of depot-level maintenance and repair.
Sec. 356. Core logistics capabilities of Department of Defense.
Sec. 357. Increase in percentage of depot-level maintenance and repair that may be contracted for performance by non-government personnel.
Sec. 358. Annual report on depot-level maintenance and repair.
Sec. 359. Requirement for use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at closed or realigned military installations.
Sec. 360. Clarification of prohibition on management of depot employees by constraints on personnel levels.
Sec. 361. Centers of Industrial and Technical Excellence.
Sec. 362. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.
Sec. 363. Repeal of a conditional repeal of certain depot-level maintenance and repair laws and a related reporting requirement.
Sec. 364. Personnel reductions, Army depots participating in Army Workload and Performance System.
Sec. 365. Report on allocation of core logistics activities among Department of Defense facilities and private sector facilities.
Sec. 366. Review of use of temporary duty assignments for ship repair and maintenance.
Sec. 367. Sense of Congress regarding realignment of performance of ground communication-electronic workload.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 371. Reorganization of laws regarding commissaries and exchanges and other morale, welfare, and recreation activities.
Sec. 372. Merchandise and pricing requirements for commissary stores.
Sec. 373. Limitation on noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 374. Treatment of revenues derived from commissary store activities.
Sec. 375. Maintenance, repair, and renovation of Armed Forces Recreation Center, Europe.
Sec. 376. Plan for use of public and private partnerships to benefit morale, welfare, and recreation activities.

Subtitle F—Other Matters

Sec. 381. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 382. Center for Excellence in Disaster Management and Humanitarian Assistance.
Sec. 383. Applicability of Federal printing requirements to Defense Automated Printing Service.
Sec. 384. Study and notification requirements for conversion of commercial and industrial type functions to contractor performance.
Sec. 385. Collection and retention of cost information data on converted services and functions.
Sec. 386. Financial assistance to support additional duties assigned to Army National Guard.
Sec. 387. Competitive procurement of printing and duplication services.
Sec. 388. Continuation and expansion of demonstration program to identify overpayments made to vendors.
Sec. 389. Development of standard forms regarding performance work statement and request for proposal for conversion of certain operational functions of military installations.
Sec. 390. Base operations support for military installations on Guam.
Sec. 391. Warranty claims recovery pilot program.
Sec. 392. Program to investigate fraud, waste, and abuse within Department of Defense.
Sec. 393. Multitechnology automated reader card demonstration program.
Sec. 394. Reduction in overhead costs of Inventory Control Points.
Sec. 395. Inventory management.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $17,174,589,000.
(2) For the Navy, $21,947,656,000.
(3) For the Marine Corps, $2,424,645,000.
(4) For the Air Force, $19,172,985,000.
(5) For Defense-wide activities, $10,242,607,000.
(6) For the Army Reserve, $1,207,981,000.
(7) For the Naval Reserve, $846,711,000.
(8) For the Marine Corps Reserve, $116,366,000.
(9) For the Air Force Reserve, $1,631,200,000.
(10) For the Army National Guard, $2,311,432,000.
(11) For the Air National Guard, $2,999,782,000.
(12) For the Defense Inspector General, $136,580,000.
(13) For the United States Court of Appeals for the Armed Forces, $6,952,000.
(14) For Environmental Restoration, Army, $375,337,000.
(15) For Environmental Restoration, Navy, $275,500,000.
(16) For Environmental Restoration, Air Force, $376,900,000.
(17) For Environmental Restoration, Defense-wide, $26,900,000.
(18) For Environmental Restoration, Formerly Used Defense Sites, $202,300,000.
(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $47,130,000.
(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $666,882,000.
(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $10,000,000.
(22) For Medical Programs, Defense, $9,957,782,000.
(23) For Cooperative Threat Reduction programs, $382,200,000.
(24) For Overseas Contingency Operations Transfer Fund, $1,253,900,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $971,952,000.
(2) For the National Defense Sealift Fund, $1,059,948,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1998 from the Armed Forces Retirement Home Trust Fund the sum of

$79,977,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. FISHER HOUSE TRUST FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1998, out of funds in Fisher House Trust Funds not otherwise appropriated, for the operation of Fisher houses described in section 2221(d) of title 10, United States Code, as follows:

(1) From the Fisher House Trust Fund, Department of the Army, $250,000 for Fisher houses that are located in proximity to medical treatment facilities of the Army.

(2) From the Fisher House Trust Fund, Department of the Navy, $150,000 for Fisher houses that are located in proximity to medical treatment facilities of the Navy.

SEC. 305. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1998 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 306. REFURBISHMENT OF M1–A1 TANKS.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $35,000,000 shall be available only for refurbishment of M1–A1 tanks under the AIM-XXI program if the Secretary of Defense determines that the cost effectiveness of the pilot AIM-XXI program is validated through user trials conducted at the National Training Center, Fort Irwin, California.

SEC. 307. OPERATION OF PREPOSITIONED FLEET, NATIONAL TRAINING CENTER, FORT IRWIN, CALIFORNIA.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $60,200,000 shall be available only to pay costs associated with the operation of the prepositioned fleet of equipment during training rotations at the National Training Center, Fort Irwin, California.

SEC. 308. REFURBISHMENT AND INSTALLATION OF AIR SEARCH RADAR.

Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, $6,000,000 may be available for the refurbishment and installation of the AN/SPS-48E air search radar for the Ship Self Defense System at the Integrated Ship Defense Systems Engineering Center, Naval Surface Warfare Center, Wallops Islands, Virginia.

SEC. 309. CONTRACTED TRAINING FLIGHT SERVICES.

Of the amount authorized to be appropriated pursuant to section 301(4) for operation and maintenance for the Air Force, $12,000,000 may be used for contracted training flight services.

SEC. 310. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1998 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 311. OPERATION OF FORT CHAFFEE, ARKANSAS.

Of the amount authorized to be appropriated pursuant to section 301(10) for operation and maintenance for the Army National Guard, $6,854,000 may be available for the operation of Fort Chaffee, Arkansas.

Subtitle B—Military Readiness Issues

SEC. 321. MONTHLY REPORTS ON ALLOCATION OF FUNDS WITHIN OPERATION AND MAINTENANCE BUDGET SUBACTIVITIES.

(a) IN GENERAL.—(1) Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 228. Monthly reports on allocation of funds within operation and maintenance budget subactivities

''(a) MONTHLY REPORT.—The Secretary of Defense shall submit to Congress a monthly report on the allocation of appropriations to O&M budget activities and to the subactivities of those budget activities. Each such report shall be submitted not later than 60 days after the end of the month to which the report pertains.

''(b) MATTERS TO BE INCLUDED.—Each such report shall set forth the following for each subactivity of the O&M budget activities:

''(1) The amount of budget authority appropriated for that subactivity in the most recent regular Department of Defense Appropriations Act.

''(2) The amount of budget authority actually made available for that subactivity, taking into consideration supplemental appropriations, rescissions, and other adjustments required by law or made pursuant to law.

''(3) The amount programmed to be expended from such subactivity.

''(c) IDENTIFICATION OF CERTAIN FLUCTUATIONS.—(1) If, in the report under this section for a month of a fiscal year after the first month of that fiscal year, an amount shown under subsection (b) for a subactivity is different by more than $15,000,000 from the corresponding amount for that subactivity in the report for the first month of that fiscal year, the Secretary shall include in the report notice of that difference.

''(2) If, in the report under this section for a month of a fiscal year after a month for which the report under this section includes a notice under paragraph (1), an amount shown under subsection (b) for a subactivity is different by more than $15,000,000 from the corresponding amount for that subactivity in the most recent report that includes a notice under paragraph (1) or this paragraph, the Secretary shall include in the report notice of that difference.

''(d) REPORT ON FLUCTUATIONS.—If a report under this section includes a notice under subsection (c), the Secretary shall include in the report with each such notice the following:

''(1) The reasons for the reallocations of funds resulting in the inclusion of that notice in the report.

''(2) Each budget subactivity involved in those reallocations.

''(3) The effect of those reallocations on the operation and maintenance activities funded through the subactivity with respect to which the notice is included in the report.

''(e) O&M BUDGET ACTIVITY DEFINED.—For purposes of this section, the term 'O&M budget activity' means a budget activity within an operation and maintenance appropriation of the Department of Defense for a fiscal year.''.

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

''228. Monthly reports on allocation of funds within operation and maintenance budget subactivities.''.

(b) EFFECTIVE DATE.—The first report under section 228 of title 10, United States Code, as added by subsection (a), shall be for the month of December 1997.

SEC. 322. EXPANSION OF SCOPE OF QUARTERLY READINESS REPORTS.

(a) EXPANDED REPORTS REQUIRED.—(1) Section 482 of title 10, United States Code, is amended to read as follows:

"§ 482. Quarterly reports: personnel and unit readiness

''(a) QUARTERLY REPORTS REQUIRED.—Not later than 30 days after the end of each calendar-year quarter, the Secretary of Defense shall submit to Congress a report regarding military readiness. The report for a quarter shall contain the information required by subsections (b), (d), and (e).

''(b) READINESS PROBLEMS AND REMEDIAL ACTIONS.—Each report shall specifically describe—

''(1) each readiness problem and deficiency identified using the assessments considered under subsection (c);

''(2) planned remedial actions; and

''(3) the key indicators and other relevant information related to each identified problem and deficiency.

''(c) CONSIDERATION OF READINESS ASSESSMENTS.—The information required under subsection (b) to be included in the report for a quarter shall be based on readiness assessments that are provided during that quarter—

''(1) to any council, committee, or other body of the Department of Defense—

''(A) that has responsibility for readiness oversight; and

''(B) whose membership includes at least one civilian officer in the Office of the Secretary of Defense at the level of Assistant Secretary of Defense or higher;

''(2) by senior civilian and military officers of the military departments and the commanders of the unified and specified commands; and

''(3) as part of any regularly established process of periodic readiness reviews for the Department of Defense as a whole.

''(d) COMPREHENSIVE READINESS INDICATORS FOR ACTIVE COMPONENTS.—Each report shall also include information regarding each of the active components of the armed forces (and an evaluation of such information) with respect to each of the following readiness indicators:

''(1) PERSONNEL STRENGTH.—

''(A) Personnel status, including the extent to which members of the armed forces are serving in positions outside of their military occupational specialty, serving in grades other than the grades for which they are qualified, or both.

''(B) Historical data and projected trends in personnel strength and status.

''(2) PERSONNEL TURBULENCE.—

''(A) Recruit quality.

''(B) Borrowed manpower.

''(C) Personnel stability.

''(3) OTHER PERSONNEL MATTERS.—

''(A) Personnel morale.

''(B) Recruiting status.

''(4) TRAINING.—

''(A) Training unit readiness and proficiency.

''(B) Operations tempo.

''(C) Training funding.

''(D) Training commitments and deployments.

''(5) LOGISTICS—EQUIPMENT FILL.—

''(A) Deployed equipment.

''(B) Equipment availability.

''(C) Equipment that is not mission capable.

''(D) Age of equipment.

''(E) Condition of nonpacing items.

''(6) LOGISTICS—EQUIPMENT MAINTENANCE.—

''(A) Maintenance backlog.

''(7) LOGISTICS—SUPPLY.—

''(A) Availability of ordnance and spares.

''(B) Status of prepositioned equipment.

''(e) UNIT READINESS INDICATORS.—Each report shall also include information regarding the readiness of each active component unit of the armed forces at the battalion, squadron, or an equivalent level (or a higher level) that received a readiness rating of C–3 (or below) for any month of the calendar-year quarter covered by the report. With respect to each such unit, the report shall separately provide the following information:

''(1) The unit designation and level of organization.

''(2) The overall readiness rating for the unit for the quarter and each month of the quarter.

''(3) The resource area or areas (personnel, equipment and supplies on hand, equipment condition, or training) that adversely affected the unit's readiness rating for the quarter.

''(4) The reasons why the unit received a readiness rating of C–3 (or below).

''(f) CLASSIFICATION OF REPORTS.—A report under this section shall be submitted in unclassified form. To the extent the Secretary of Defense determines necessary, the report may also be submitted in classified form.''.

(2) The item relating to section 482 in the table of sections at the beginning of chapter 23 of such title is amended to read as follows:

''482. Quarterly reports: personnel and unit readiness.''.

(b) IMPLEMENTATION PLAN TO EXAMINE READINESS INDICATORS.—Not later than January 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a plan—

(1) specifying the manner in which the Secretary will implement the additional reporting requirement of subsection (d) of section 482 of title 10, United States Code, as added by this section; and

(2) specifying the criteria proposed to be used to evaluate the readiness indicators identified in such subsection (d).

(c) LIMITATION PENDING RECEIPT OF IMPLEMENTATION PLAN.—Of the amount available for fiscal year 1998 for operation and support activities of the Office of the Secretary of Defense, 10 percent may not be obligated until after the date on which the implementation plan required by subsection (b) is submitted.

(d) TRANSITION TO COMPLETE REPORT.—Until the report under section 482 of title 10, United States Code, as amended by subsection (a), for the third quarter of 1998 is submitted, the Secretary of Defense may omit the information required by subsection (d) of such section if the Secretary determines that it is impracticable to comply with such subsection with regard to the preceding reports.

SEC. 323. SEMIANNUAL REPORTS ON TRANSFERS FROM HIGH-PRIORITY READINESS APPROPRIATIONS.

(a) REPORTS REQUIRED.—Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 483. Reports on transfers from high-priority readiness appropriations

''(a) ANNUAL REPORTS.—Not later than the date on which the President submits the budget for a fiscal year to Congress pursuant to section 1105 of title 31, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report on transfers during the preceding fiscal year from funds available for each covered budget activity.

''(b) MIDYEAR REPORTS.—Not later than June 1 of each fiscal year, the Secretary of Defense shall submit to the congressional committees specified in subsection (a) a report on transfers, during the first six months of that fiscal year, from funds available for each covered budget activity.

''(c) MATTERS TO BE INCLUDED.—In each report under subsection (a) or (b), the Secretary of Defense shall include for each covered budget activity the following:

''(1) A statement, for the period covered by the report, of—

''(A) the total amount of transfers into funds available for that activity;

''(B) the total amount of transfers from funds available for that activity; and

''(C) the net amount of transfers into, or out of, funds available for that activity.

''(2) A detailed explanation of the transfers into, and out of, funds available for that activity during the period covered by the report.

''(d) COVERED BUDGET ACTIVITY DEFINED.—In this section, the term 'covered budget activity' means each of the following:

''(1) The budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Army, appropriation that are designated as follows:

''(A) All subactivities under the category of Land Forces.

''(B) Land Forces Depot Maintenance.

''(C) Base Support.

''(D) Maintenance of Real Property.

''(2) The Air Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

''(A) Mission and Other Flight Operations.

''(B) Fleet Air Training.

''(C) Aircraft Depot Maintenance.

''(D) Base Support.

''(E) Maintenance of Real Property.

''(3) The Ship Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Navy, appropriation that are designated as follows:

''(A) Mission and Other Ship Operations.

''(B) Ship Operational Support and Training.

''(C) Ship Depot Maintenance.

''(D) Base Support.

''(E) Maintenance of Real Property.

''(4) The Expeditionary Forces budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Marine Corps, appropriation that are designated as follows:

''(A) Operational Forces.

''(B) Depot Maintenance.

''(C) Base Support.

''(D) Maintenance of Real Property.

''(5) The Air Operations and Combat Related Operations budget activity groups (known as 'subactivities') within the Operating Forces budget activity of the annual Operation and Maintenance, Air Force, appropriation that are designated as follows:

''(A) Primary Combat Forces.

''(B) Primary Combat Weapons.

''(C) Air Operations Training.

''(D) Depot Maintenance.

''(E) Base Support.

''(F) Maintenance of Real Property.

''(6) The Mobility Operations budget activity group (known as a 'subactivity') within the Mobilization budget activity of the annual Operation and Maintenance, Air Force, appropriation that is designated as Airlift Operations.

''(e) TERMINATION.—The requirements specified in subsections (a) and (b) shall terminate upon the submission of the annual report under subsection (a) covering fiscal year 2000.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''483. Reports on transfers from high-priority readiness appropriations.''.

SEC. 324. ANNUAL REPORT ON AIRCRAFT INVENTORY.

(a) ANNUAL REPORT REQUIRED.—(1) Chapter 23 of title 10, United States Code, is amended by inserting after section 483, as added by section 323, the following new section:

''§ 484. Annual report on aircraft inventory

''(a) ANNUAL REPORT.—The Under Secretary of Defense (Comptroller) shall submit to Congress each year a report on the aircraft in the inventory of the Department of Defense. The Under Secretary shall submit the report when the President submits the budget to Congress under section 1105(a) of title 31.

''(b) CONTENT.—The report shall set forth, in accordance with subsection (c), the following information:

''(1) The total number of aircraft in the inventory.

''(2) The total number of the aircraft in the inventory that are active, stated in the following categories (with appropriate subcategories for mission aircraft, training aircraft, dedicated test aircraft, and other aircraft):

''(A) Primary aircraft.

''(B) Backup aircraft.

''(C) Attrition and reconstitution reserve aircraft.

''(3) The total number of the aircraft in the inventory that are inactive, stated in the following categories:

''(A) Bailment aircraft.

''(B) Drone aircraft.

''(C) Aircraft for sale or other transfer to foreign governments.

''(D) Leased or loaned aircraft.

''(E) Aircraft for maintenance training.

''(F) Aircraft for reclamation.

''(G) Aircraft in storage.

''(4) The aircraft inventory requirements approved by the Joint Chiefs of Staff.

''(c) DISPLAY OF INFORMATION.—The report shall specify the information required by subsection (b) separately for the active component of each armed force and for each reserve component of each armed force and, within the information set forth for each such component, shall specify the information separately for each type, model, and series of aircraft provided for in the future-years defense program submitted to Congress.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 483, as added by section 323, the following new item:

''484. Report on aircraft inventory.''.

(b) SPECIAL SUBMISSION DATE FOR FIRST REPORT.—The Under Secretary of Defense (Comptroller) shall submit the first report required under section 484 of title 10, United States Code (as added by subsection (a)), not later than January 30, 1998.

(c) MODIFICATION OF BUDGET DATA EXHIBITS.—The Under Secretary of Defense (Comptroller) shall ensure that aircraft budget data exhibits of the Department of Defense that are submitted to Congress display total numbers of active aircraft where numbers of primary aircraft or primary authorized aircraft are displayed in those exhibits.

SEC. 325. ADMINISTRATIVE ACTIONS ADVERSELY AFFECTING MILITARY TRAINING OR OTHER READINESS ACTIVITIES.

(a) CONGRESSIONAL NOTIFICATION.—Chapter 101 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2014. Administrative actions adversely affecting military training or other readiness activities

''(a) CONGRESSIONAL NOTIFICATION.—Whenever an official of an Executive agency takes or proposes to take an administrative action that, as determined by the Secretary of Defense in consultation with the Chairman of the Joint Chiefs of Staff, affects training or any other readiness activity in a manner that has or would have a significant adverse effect on the military readiness of any of the armed forces or a critical component thereof, the Secretary shall submit a written notification of the action and

each significant adverse effect to the head of the Executive agency taking or proposing to take the administrative action. At the same time, the Secretary shall transmit a copy of the notification to the President, the Committee on Armed Services of the Senate, and the Committee on National Security of the House of Representatives.

''(b) NOTIFICATION TO BE PROMPT.—(1) Subject to paragraph (2), the Secretary shall submit a written notification of an administrative action or proposed administrative action required by subsection (a) as soon as possible after the Secretary becomes aware of the action or proposed action.

''(2) The Secretary shall prescribe policies and procedures to ensure that the Secretary receives information on an administrative action or proposed administrative action described in subsection (a) promptly after Department of Defense personnel receive notice of such an action or proposed action.

''(c) CONSULTATION BETWEEN SECRETARY AND HEAD OF EXECUTIVE AGENCY.—Upon notification with respect to an administrative action or proposed administrative action under subsection (a), the head of the Executive agency concerned shall—

''(1) respond promptly to the Secretary; and

''(2) consistent with the urgency of the training or readiness activity involved and the provisions of law under which the administrative action or proposed administrative action is being taken, seek to reach an agreement with the Secretary on immediate actions to attain the objective of the administrative action or proposed administrative action in a manner which eliminates or mitigates the adverse effects of the administrative action or proposed administrative action upon the training or readiness activity.

''(d) MORATORIUM.—(1) Subject to paragraph (2), upon notification with respect to an administrative action or proposed administrative action under subsection (a), the administrative action or proposed administrative action shall cease to be effective with respect to the Department of Defense until the earlier of—

''(A) the end of the five-day period beginning on the date of the notification; or

''(B) the date of an agreement between the head of the Executive agency concerned and the Secretary as a result of the consultations under subsection (c).

''(2) Paragraph (1) shall not apply with respect to an administrative action or proposed administrative action if the head of the Executive agency concerned determines that the delay in enforcement of the administrative action or proposed administrative action will pose an actual threat of an imminent and substantial endangerment to public health or the environment.

''(e) EFFECT OF LACK OF AGREEMENT.—(1) If the head of an Executive agency and the Secretary do not enter into an agreement under subsection (c)(2), the Secretary shall submit a written notification to the President who shall take final action on the matter.

''(2) Not later than 30 days after the date on which the President takes final action on a matter under paragraph (1), the President shall submit to the committees referred to in subsection (a) a notification of the action.

''(f) LIMITATION ON DELEGATION OF AUTHORITY.—The head of an Executive agency may not delegate any responsibility under this section.

''(g) DEFINITION.—In this section, the term 'Executive agency' has the meaning given such term in section 105 of title 5, except that the term does not include the General Accounting Office.''.

(b) CLERICAL AMENDMENT.—The table of sections of the beginning of such chapter is amended by adding at the end the following new item:

''2014. Administrative actions adversely affecting military training or other readiness activities.''.

SEC. 326. COMMON MEASUREMENT OF OPERATIONS TEMPO AND PERSONNEL TEMPO.

(a) MEANS FOR MEASUREMENT.—The Chairman of the Joint Chiefs of Staff shall, to the maximum extent practicable, develop (1) a common means of measuring the operations tempo (OPTEMPO) of each of the Armed Forces, and (2) a common means of measuring the personnel tempo (PERSTEMPO) of each of the Armed Forces. The Chairman shall consult with the other members of the Joint Chiefs of Staff in developing those common means of measurement.

(b) PERSTEMPO MEASUREMENT.—The measurement of personnel tempo developed by the Chairman shall include a means of identifying the rate of deployment for individual members of the Armed Forces in addition to the rate of deployment for units.

SEC. 327. INCLUSION OF AIR FORCE DEPOT MAINTENANCE AS OPERATION AND MAINTENANCE BUDGET LINE ITEMS.

For fiscal year 1999 and each fiscal year thereafter, Air Force depot-level maintenance of materiel shall be displayed as one or more separate line items under each subactivity within the authorization request for operation and maintenance, Air Force, in the proposed budget for that fiscal year submitted to Congress pursuant to section 1105 of title 31, United States Code.

SEC. 328. PROHIBITION OF IMPLEMENTATION OF TIERED READINESS SYSTEM.

(a) PROHIBITION.—The Secretary of a military department may not implement, or be required to implement, a new readiness system for units of the Armed Forces (as outlined in sections 329 and 330), under which a military unit would be categorized into one of several categories (known as ''tiers'') according to the likelihood that the unit will be required to respond to a military conflict and the time in which the unit will be required to respond, if that system would have the effect of changing the methods used as of October 1, 1996, by the Armed Forces under the jurisdiction of that Secretary for determining the priorities for allocating to such military units funding, personnel, equipment, equipment maintenance, and training resources, and the associated levels of readiness of those units that result from those priorities.

(b) REPORT TO CONGRESS REQUESTING WAIVER.—If the Secretary of Defense determines, following the review required by sections 329 and 330 (or any similar review), that implementation for one or more of the Armed Forces of a tiered readiness system that is prohibited by subsection (a) would be in the national security interests of the United States, the Secretary shall submit to Congress a report setting forth that determination, together with the rationale for that determination, and a request for the enactment of legislation to allow implementation of such a system.

(c) RULE OF CONSTRUCTION.—Nothing in subsection (a) is intended to preclude the Secretary of Defense from taking necessary actions to maintain the combat preparedness of the active and reserve components of the Armed Forces.

SEC. 329. REPORT ON MILITARY READINESS REQUIREMENTS OF THE ARMED FORCES.

(a) REQUIREMENT FOR REPORT.—Not later than January 31, 1998, the Chairman of the Joint Chiefs of Staff shall submit to the congressional defense committees a report on the military readiness requirements of the active and reserve components of the Armed Forces (including combat units, combat support units, and combat service support units). The report shall assess such requirements under a tiered readiness and response system that categorizes a given unit according to the likelihood that it will be required to respond to a military conflict and the time within which it will be required to respond.

(b) PREPARATION BY JCS AND COMMANDERS OF UNIFIED COMMANDS.—The report required by subsection (a) shall be prepared jointly by the Chairman of the Joint Chiefs of Staff, the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, the Commandant of the Marine Corps, the commander of the Special Operations Command, and the commanders of the other unified commands.

(c) ASSESSMENT SCENARIO.—The report shall assess readiness requirements in a scenario that is based on the following assumptions:

(1) That the Armed Forces of the United States must be capable of—

(A) fighting and winning, in concert with allies, two major theater wars nearly simultaneously; and

(B) deterring or defeating a strategic attack on the United States.

(2) That the forces available for deployment are the forces included in the force structure recommended in the Quadrennial Defense Review, including all other planned force enhancements.

(d) ASSESSMENT ELEMENTS.—(1) The report shall identify, by unit type, all major units of the active and reserve components of the Armed Forces and assess the readiness requirements of the units. Each identified unit shall be categorized within one of the following classifications:

(A) Forward-deployed and crisis response forces, or ''Tier I'' forces, that possess limited internal sustainment capability and do not require immediate access to regional air bases or ports or overflight rights, including the following:

(i) Force units that are deployed in rotation at sea or on land outside the United States.

(ii) Combat-ready crises response forces that are capable of mobilizing and deploying within 10 days after receipt of orders.

(iii) Forces that are supported by prepositioning equipment afloat or are capable of being inserted into a theater upon the capture of a port or airfield by forcible entry forces.

(B) Combat-ready follow-on forces, or ''Tier II'' forces, that can be mobilized and deployed to a theater within approximately 60 days after receipt of orders.

(C) Combat-ready conflict resolution forces, or ''Tier III'' forces, that can be mobilized and deployed to a theater within approximately 180 days after receipt of orders.

(D) All other active and reserve component force units which are not categorized within a classification described in subparagraph (A), (B), or (C).

(2) For the purposes of paragraph (1), the following units are major units:

(A) In the case of the Army or Marine Corps, a brigade and a battalion.

(B) In the case of the Navy, a squadron of aircraft, a ship, and a squadron of ships.

(C) In the case of the Air Force, a squadron of aircraft.

(e) PROJECTION OF SAVINGS FOR USE FOR MODERNIZATION.—The report shall include a projection for fiscal years 1998 through 2003 of the amounts of the savings in operation and maintenance funding that—

(1) could be derived by each of the Armed Forces by placing as many units as is practicable into the lower readiness categories among the tiers; and

(2) could be made available for force modernization.

(f) FORM OF REPORT.—The report under this section shall be submitted in unclassified form, but may contain a classified annex.

(g) PLANNED FORCE ENHANCEMENT DEFINED.—In this section, the term ''planned force enhancement'', with respect to the force structure recommended in the Quadrennial Defense Review, means any future improvement in the capability of the force (including current strategic and future improvement in strategic lift capability) that is assumed in the development of the recommendation for the force structure set forth in the Quadrennial Defense Review.

SEC. 330. ASSESSMENT OF CYCLICAL READINESS POSTURE OF THE ARMED FORCES.

(a) REQUIREMENT.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the readiness posture of the Armed Forces described in subsection (b).

(2) The Secretary shall prepare the report required under paragraph (1) with the assistance of the Joint Chiefs of Staff. In providing such assistance, the Chairman of the Joint Chiefs of Staff shall consult with the Chief of the National Guard Bureau.

(b) READINESS POSTURE.—(1) The readiness posture to be covered by the report under subsection (a) is a readiness posture for units of the Armed Forces, or for designated units of the Armed Forces, that provides for a rotation of such units between a state of high readiness and a state of low readiness.

(2) As part of the evaluation of the readiness posture described in paragraph (1), the report shall address in particular a readiness posture that—

(A) establishes within the Armed Forces two equivalent forces each structured so as to be capable of fighting and winning a major theater war; and

(B) provides for an alternating rotation of such forces between a state of high readiness and a state of low readiness.

(3) The evaluation of the readiness posture described in paragraph (2) shall be based upon assumptions permitting comparison with the existing force structure as follows:

(A) That there are assembled from among the units of the Armed Forces two equivalent forces each structured so as to be capable of fighting and winning a major theater war.

(B) That each force referred to in subparagraph (A) includes—

(i) four active Army divisions, including one mechanized division, one armored division, one light infantry division, and one division combining airborne units and air assault units, and appropriate support and service support units for such divisions;

(ii) six divisions (or division equivalents) of the Army National Guard or the Army Reserve that are essentially equivalent in structure, and appropriate support and service support units for such divisions;

(iii) six aircraft carrier battle groups;

(iv) six active Air Force fighter wings (or fighter wing equivalents);

(v) four Air Force reserve fighter wings (or fighter wing equivalents); and

(vi) one active Marine Corps expeditionary force.

(C) That each force may be supplemented by critical units or units in short supply, including heavy bomber units, strategic lift units, and aerial reconnaissance units, that are not subject to the readiness rotation otherwise assumed for purposes of the evaluation or are subject to the rotation on a modified basis.

(D) That units of the Armed Forces not assigned to a force are available for operations other than those essential to fight and win a major theater war, including peace operations.

(E) That the state of readiness of each force alternates between a state of high readiness and a state of low readiness on a frequency determined by the Secretary (but not more often than once every six months) and with only one force at a given state of readiness at any one time.

(F) That, during the period of state of high readiness of a force, any operations or activities (including leave and education and training of personnel) that detract from the near-term wartime readiness of the force are temporary and their effects on such state of readiness minimized.

(G) That units are assigned overseas during the period of state of high readiness of the force to which the units are assigned primarily on a temporary duty basis.

(H) That, during the period of high readiness of a force, the operational war plans for the force incorporate the divisions (or division equivalents) of the Army Reserve or Army National Guard assigned to the force in a manner such that one such division (or division equivalent) is, on a rotating basis for such divisions (or division equivalents) during the period, maintained in a high state of readiness and dedicated as the first reserve combat division to be transferred overseas in the event of a major theater war.

(c) REPORT ELEMENTS.—The report under this section shall include the following elements for the readiness posture described in subsection (b)(2):

(1) An estimate of the range of cost savings achievable over the long term as a result of implementing the readiness posture, including—

(A) the savings achievable from reduced training levels and readiness levels during periods in which a force referred to in subsection (b)(3)(A) is in a state of low readiness; and

(B) the savings achievable from reductions in costs of infrastructure overseas as a result of reduced permanent change of station rotations.

(2) An assessment of the potential risks associated with a lower readiness status for units assigned to a force in a state of low readiness under the readiness posture, including the risks associated with the delayed availability of such units overseas in the event of two nearly simultaneous major theater wars.

(3) An assessment of the potential risks associated with requiring the forces under the readiness posture to fight a major war in any theater worldwide.

(4) An assessment of the modifications of the current force structure of the Armed Forces that are necessary to achieve the range of cost savings estimated under paragraph (1), including the extent of the diminishment, if any, of the military capabilities of the Armed Forces as a result of the modifications.

(5) An assessment whether or not the risks of diminished military capability associated with implementation of the readiness posture exceed the risks of diminished military capability associated with the modifications of the current force structure necessary to achieve cost savings equivalent to the best case for cost savings resulting from the implementation of the readiness posture.

(d) FORM OF REPORT.—The report under this section shall be submitted in unclassified form, but may contain a classified annex.

(e) DEFINITIONS.—In this section:

(1) The term ''state of high readiness'', in the case of a military force, means the capability to mobilize first-to-arrive units of the force within 18 hours and last-to-arrive units within 120 days of a particular event.

(2) The term ''state of low readiness'', in the case of a military force, means the capability to mobilize first-to-arrive units within 90 days and last-to-arrive units within 180 days of a particular event.

SEC. 331. REPORT ON MILITARY EXERCISES CONDUCTED UNDER CERTAIN TRAINING EXERCISES PROGRAMS

(a) REPORT.—Not later than February 16, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the military exercises conducted by the Department of Defense during fiscal years 1995, 1996, and 1997 and the military exercises planned to be conducted during fiscal years 1998, 1999, and 2000, under the following training exercises programs:

(1) The program known as the ''CJCS Exercise Program''.

(2) The program known as the ''Partnership for Peace program''.

(3) The Cooperative Threat Reduction programs.

(b) INFORMATION ON EXERCISES CONDUCTED OR TO BE CONDUCTED.—The report under subsection (a) shall include the following information for each exercise included in the report, which shall be set forth by fiscal year and shown within the fiscal year by the sponsoring command:

(1) Name of the exercise.

(2) Type, description, duration, and objectives of the exercise.

(3) Participating units, including the number of personnel participating in each unit.

(4) For each participating unit, the percentage of the tasks on that unit's specification of tasks (known as a mission essential task list) or a comparable specification (in the case of any of the Armed Forces not maintaining a mission essential task list designation) that were performed or are scheduled to be performed as part of the exercise.

(5) The cost of the exercise paid or to be paid out of funds available to the Chairman of the Joint Chiefs of Staff and the cost to each of the Armed Forces participating in the exercise, with a description of the categories of activities for which those costs are incurred in each such case.

(6) In the case of each planned exercise, the priority of the exercise in relation to all other exercises planned by the sponsoring command to be conducted during that fiscal year.

(7) In the case of an exercise conducted or to be conducted in a foreign country or with military personnel of a foreign country, the military forces of the foreign country that participated or will participate in the exercise.

(c) ASSESSMENT.—The report under subsection (a) shall include—

(1) an assessment of the ability of each of the Armed Forces to meet requirements of the training exercises programs specified in subsection (a);

(2) an assessment of the training value of each exercise covered in the report to each unit of the Armed Forces participating in the exercise, including for each such unit an assessment of the value of the percentage under subsection (b)(4) as an indicator of the training value of the exercise for that unit;

(3) options to minimize the negative effects on operational and personnel tempo resulting from the training exercises programs; and

(4) in the case of exercises to be conducted in a foreign country or with military personnel of a foreign country—

(A) an assessment of the training value of each exercise covered in the report to the foreign countries involved and the extent to which the exercise enhances the readiness capabilities of all military forces involved in the exercise (both United States and foreign); and

(B) an assessment of the benefits to be derived through enhanced military-to-military relationships between the United States and foreign countries.

(d) FUNDING LIMITATION PENDING RECEIPT OF REPORT.—Of the funds available for fiscal year 1998 for the conduct of the CJCS Exercise Program, not more than 90 percent may be expended before the date on which the report required under subsection (a) is submitted.

SEC. 332. REPORT ON OVERSEAS DEPLOYMENTS.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the deployments overseas of members of the Armed Forces (other than the Coast Guard). The report shall describe the deployments as of June 30, 1996, and as of June 30, 1997.

(b) ELEMENTS.—The report shall include the following, shown as of each date specified in subsection (a) and shown for the Armed Forces in the aggregate and separately for each of the Armed Forces:

(1) The number of military personnel deployed overseas pursuant to a permanent duty assignment, shown in the aggregate and by country or ocean to which deployed.

(2) The number of military personnel deployed overseas pursuant to a temporary duty assignment, including—

(A) the number engaged in training with units of a single military department;

(B) the number engaged in United States military joint exercises; and

(C) the number engaged in training with allied units.

(3) The number of military personnel deployed overseas who were engaged in contingency operations (including peacekeeping or humanitarian assistance missions) or other activities (other than those personnel covered by paragraphs (1) and (2)).

Subtitle C—Environmental Provisions

SEC. 341. REVISION OF MEMBERSHIP TERMS FOR STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM SCIENTIFIC ADVISORY BOARD.

Section 2904(b)(4) of title 10, United States Code, is amended by striking out ''three'' and inserting in lieu thereof ''not less than two and not more than four''.

SEC. 342. AMENDMENTS TO AUTHORITY TO ENTER INTO AGREEMENTS WITH OTHER AGENCIES IN SUPPORT OF ENVIRONMENTAL TECHNOLOGY CERTIFICATION.

(a) AUTHORITY TO ENTER INTO AGREEMENTS WITH INDIAN TRIBES.—Section 327 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2483; 10 U.S.C. 2702 note) is amended—

(1) in subsection (a), by inserting '', or with an Indian tribe,'' after ''with an agency of a State or local government'';

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following new subsection:

''(e) DEFINITION.—In this section, the term 'Indian tribe' has the meaning given that term by section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).''.

(b) ELIMINATION OF CERTAIN LIMITATION ON AUTHORITY.—Subsection (b)(1) of such section is amended by striking out ''in carrying out its environmental restoration activities''.

(c) ADDITIONAL REPORT INFORMATION.—Subsection (d) of such section is amended by adding at the end the following:

''(5) A statement of the funding that will be required to meet commitments made to State and local governments and Indian tribes under such agreements entered into during the fiscal year preceding the fiscal year in which the report is submitted.

''(6) A description of any cost-sharing arrangement under any such agreements.''.

(d) GUIDELINES FOR REIMBURSEMENT AND COST-SHARING.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the guidelines established by the Secretary for reimbursement of State and local governments, and for cost-sharing between the Department of Defense, such governments, and vendors, under cooperative agreements entered into under such section 327.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date on which the report required by subsection (d) is submitted to Congress.

SEC. 343. MODIFICATIONS OF AUTHORITY TO STORE AND DISPOSE OF NONDEFENSE TOXIC AND HAZARDOUS MATERIALS.

(a) STORAGE OF MATERIALS OWNED BY MEMBERS AND DEPENDENTS.—Subsection (a)(1) of section 2692 of title 10, United States Code, is amended by striking out ''by the Department of Defense.'' and inserting in lieu thereof the following: ''either by the Department of Defense or by a member of the armed forces (or a dependent of the member) assigned to or provided military housing on the installation.''.

(b) ADDITIONAL AUTHORITY.—Subsection (b) of such section is amended—

(1) by redesignating paragraphs (1) through (9) as paragraphs (2) through (10), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph (1):

''(1) the storage, treatment, or disposal of materials that will be or have been used in connection with an activity of the Department of Defense or in connection with a service to be performed on an installation of the Department for the benefit of the Department;''.

(c) STORAGE AND DISPOSAL OF EXPLOSIVES TO ASSIST LAW ENFORCEMENT AGENCIES.—Subsection (b) of such section is amended in paragraph (3) (as redesignated by subsection (b))—

(1) by striking out ''Federal law enforcement'' and inserting in lieu thereof ''Federal, State, or local law enforcement''; and

(2) by striking out ''Federal agency'' and inserting in lieu thereof ''Federal, State, or local agency''.

(d) STORAGE OF MATERIAL IN CONNECTION WITH AUTHORIZED AND COMPATIBLE USE OF A DEFENSE FACILITY.—Subsection (b) of such section is amended in paragraph (9) (as redesignated by subsection (b))—

(1) by striking out ''by a private person in connection with the authorized and compatible use by that person of an industrial-type'' and inserting in lieu thereof ''in connection with the authorized and compatible use of a''; and

(2) by striking out ''; and'' at the end and inserting in lieu thereof the following: '', including the use of such a facility for testing materiel or training personnel;''.

(e) TREATMENT AND DISPOSAL OF MATERIAL IN CONNECTION WITH AUTHORIZED AND COMPATIBLE USE OF A DEFENSE FACILITY.—Subsection (b) of such section is amended in paragraph (10) (as redesignated by subsection (b))—

(1) by striking out ''by a private person in connection with the authorized and compatible commercial use by that person of an industrial-type'' and inserting in lieu thereof ''in connection with the authorized and compatible use of a'';

(2) by striking out ''with that person'' and inserting in lieu thereof ''or agreement with the prospective user'';

(3) by striking out ''for that person's'' in subparagraph (B) and inserting in lieu thereof ''for the prospective user's''; and

(4) by striking out the period at the end and inserting in lieu thereof ''; and''.

(f) STORAGE OF MATERIAL IN CONNECTION WITH SPACE LAUNCH FACILITIES.—Subsection (b) of such section is further amended by adding at the end the following new paragraph:

''(11) the storage of any material that is not owned by the Department of Defense if the Secretary of the military department concerned determines that the material is required or generated in connection with the use of a space launch facility located on an installation of the Department of Defense or on other land controlled by the United States.''.

(g) TECHNICAL AMENDMENTS.—(1) Subsection (a)(1) of such section is further amended by striking out ''storage'' and inserting in lieu thereof ''storage, treatment,''.

(2) The heading for such section is amended to read as follows:

''§ 2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials''.

(3) The item relating to such section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

''2692. Storage, treatment, and disposal of nondefense toxic and hazardous materials.''.

(h) SAVINGS CLAUSE.—Nothing in the amendments made by this section is intended to modify environmental laws or laws relating to the siting of facilities.

SEC. 344. ANNUAL REPORT ON PAYMENTS AND ACTIVITIES IN RESPONSE TO FINES AND PENALTIES ASSESSED UNDER ENVIRONMENTAL LAWS.

(a) ANNUAL REPORTS.—Section 2706(b)(2) of title 10, United States Code, is amended by adding at the end the following:

''(H) A statement of the fines and penalties imposed or assessed against the Department of Defense under Federal, State, or local environmental law during the fiscal year preceding the fiscal year in which the report is submitted, setting forth each Federal environmental statute under which a fine or penalty was imposed or assessed during the fiscal year, and, with respect to each such statute—

''(i) the aggregate amount of fines and penalties imposed or assessed during the fiscal year;

''(ii) the aggregate amount of fines and penalties paid during the fiscal year;

''(iii) the total amount required for environmental projects to be carried out by the Department of Defense in lieu of the payment of fines or penalties; and

''(iv) the number of fines and penalties imposed or assessed during the fiscal year that were—

''(I) $100,000 or less; and

''(II) more than $100,000.''.

(b) REPORT IN FISCAL YEAR 1998.—The statement submitted by the Secretary of Defense under subparagraph (H) of section 2706(b)(2) of title 10, United States Code, as added by subsection (a), in 1998 shall, to the maximum extent practicable, include the information required by that subparagraph for each of fiscal years 1994 through 1997.

SEC. 345. ANNUAL REPORT ON ENVIRONMENTAL ACTIVITIES OF THE DEPARTMENT OF DEFENSE OVERSEAS.

Section 2706 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

''(d) REPORT ON ENVIRONMENTAL ACTIVITIES OVERSEAS.—(1) The Secretary of Defense shall submit to Congress each year, not later than 30 days after the date on which the President submits to Congress the budget for a fiscal year, a report on the environmental activities of the Department of Defense overseas.

''(2) Each such report shall include a statement of the funding levels during such fiscal year for each of the following categories:

''(A) Compliance by the Department of Defense with requirements under a treaty, law, contract, or other agreement for environmental restoration or compliance activities.

''(B) Performance by the Department of Defense of other environmental restoration and compliance activities overseas.

''(C) Performance by the Department of Defense of any other overseas activities related to the environment, including conferences, meetings, and studies for pilot programs, and travel related to such activities.''.

SEC. 346. REVIEW OF EXISTING ENVIRONMENTAL CONSEQUENCES OF THE PRESENCE OF THE ARMED FORCES IN BERMUDA.

Not later than 120 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on any remaining environmental effects of the presence of the Armed Forces of the United States in Bermuda.

SEC. 347. SENSE OF CONGRESS ON DEPLOYMENT OF UNITED STATES ARMED FORCES ABROAD FOR ENVIRONMENTAL PRESERVATION ACTIVITIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that members of the Army, Navy, Air Force, and Marine Corps should not be deployed outside the United States to provide assistance to another nation in connection with environmental preservation activities in that nation, unless the Secretary of Defense determines that such activities are necessary for national security purposes.

(b) SCOPE OF SECTION.—For purposes of this section, environmental preservation activities do not include any of the following:

(1) Activities undertaken for humanitarian purposes, disaster relief activities, peacekeeping activities, or operational training activities.

(2) Environmental compliance and restoration activities associated with military installations and deployments outside the United States.

SEC. 348. RECOVERY AND SHARING OF COSTS OF ENVIRONMENTAL RESTORATION AT DEPARTMENT OF DEFENSE SITES.

(a) REGULATIONS.—Not later than March 1, 1998, the Secretary of Defense shall prescribe regulations containing the guidelines and requirements described in subsections (b) and (c).

(b) GUIDELINES.—(1) The regulations prescribed under subsection (a) shall contain uniform guidelines for the military departments and defense agencies concerning the cost-recovery and cost-sharing activities of those departments and agencies.

(2) The Secretary shall take appropriate actions to ensure the implementation of the guidelines.

(c) REQUIREMENTS.—The regulations prescribed under subsection (a) shall contain requirements for the Secretaries of the military departments and the heads of defense agencies to—

(1) obtain all data that is relevant for purposes of cost-recovery and cost-sharing activities; and

(2) identify any negligence or other misconduct that may preclude indemnification or reimbursement by the Department of Defense for the costs of environmental restoration at a Department site or justify the recovery or sharing of costs associated with such restoration.

(d) DEFINITION.—In this section, the term ''cost-recovery and-cost sharing activities'' means activities concerning—

(1) the recovery of the costs of environmental restoration at Department of Defense sites from contractors of the Department and other private parties that contribute to environmental contamination at such sites; and

(2) the sharing of the costs of such restoration with such contractors and parties.

SEC. 349. PARTNERSHIPS FOR INVESTMENT IN INNOVATIVE ENVIRONMENTAL TECHNOLOGIES.

(a) AUTHORITY.—Subject to subsection (b), the Secretary of Defense may enter into a partnership with one or more private entities to demonstrate and validate innovative environmental technologies.

(b) LIMITATIONS.—The Secretary of Defense may enter into a partnership with respect to an environmental technology under subsection (a) only if—

(1) any private entities participating in the partnership are selected through the use of competitive procedures;

(2) the partnership provides for parties other than the Department of Defense to provide at least 50 percent of the funding required (not including in-kind contributions or preexisting investments); and

(3) the Secretary determines that—

(A) the technology has clear potential to be of significant value to the Department of Defense in its environmental remediation activities at a substantial number of Department of Defense sites; and

(B) the technology would not be developed without the commitment of Department of Defense funds.

(c) EVALUATION GUIDELINES.—Before entering into a partnership with respect to an environmental technology under subsection (a), the Secretary of Defense shall give consideration to the following:

(1) The potential for the technology to be used by the Department of Defense for environmental remediation.

(2) The technical feasibility and maturity of the technology.

(3) The adequacy of financial and management plans to demonstrate and validate the technology.

(4) The costs and benefits to the Department of Defense of developing and using the technology.

(5) The potential for commercialization of the technology.

(6) The proposed arrangements for sharing the costs of the partnership through the use of resources outside the Department of Defense.

(d) FUNDING.—Under a partnership entered into under subsection (a), the Secretary of Defense may provide funds to the partner or partners from appropriations available to the Department of Defense for environmental activities, for a period of up to five years.

(e) REPORT.—In the annual report required under section 2706(a) of title 10, United States Code, the Secretary of Defense shall include the following information with respect to partnerships entered into under this section:

(1) The number of such partnerships.

(2) A description of the nature of the technology involved in each such partnership.

(3) A list of all partners in such partnerships.

(f) COORDINATION.—The Secretary of Defense shall ensure that the Department of Defense coordinates with the Administrator of the Environmental Protection Agency in any verification sponsored by the Department of technologies demonstrated and validated by a partnership entered into under this section.

(g) PROCEDURES.—The Secretary of Defense shall develop appropriate procedures to ensure that all Department of Defense funds committed to a partnership entered into under this section are expended for the purpose authorized in the partnership agreement. The Secretary may not enter into a partnership under this section until 30 days after the date on which a copy of such procedures is provided to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(h) TERMINATION OF AUTHORITY.—The authority to enter into agreements under subsection (a) shall terminate three years after the date of the enactment of this Act.

SEC. 350. PROCUREMENT OF RECYCLED COPIER PAPER.

(a) PROCUREMENT REQUIREMENTS.—Chapter 140 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2378. Procurement of copier paper containing specified percentages of post-consumer recycled content

''(a) PROCUREMENT REQUIREMENT.—(1) Except as provided in subsections (b) and (c), a department or agency of the Department of Defense may not procure copying machine paper after the applicable date specified in paragraph (2) unless the percentage of post-consumer recycled content of the paper meets the percentage then in effect under such paragraph.

''(2) The percentage of post-consumer recycled content of paper required under paragraph (1) is as follows:

''(A) 20 percent as of January 1, 1998.

''(B) 30 percent as of January 1, 1999.

''(C) 50 percent as of January 1, 2004.

''(b) EXCEPTIONS.—A department or agency of the Department of Defense is not required to procure copying machine paper containing a percentage of post-consumer recycled content that meets the applicable requirement in subsection (a) if the Secretary concerned determines that one or more of the following circumstances apply with respect to that procurement:

''(1) The cost of procuring copying machine paper satisfying the applicable requirement significantly exceeds the cost of procuring copying machine paper containing a percentage of post-consumer recycled content that does not meet such requirement. The Secretary concerned shall establish the cost differential to be applied under this paragraph.

''(2) Copying machine paper containing a percentage of post-consumer recycled content meeting such requirement is not reasonably available within a reasonable period of time.

''(3) Copying machine paper containing a percentage of post-consumer recycled content meeting such requirement does not meet performance standards of the department or agency for copying machine paper.

''(c) EFFECT OF INABILITY TO MEET GOAL IN 2004.—(1) In the case of the requirement that will take effect on January 1, 2004, pursuant to subsection (a)(2)(C), the requirement shall not take effect with respect to a military department or Defense Agency if the Secretary of Defense determines that the department or agency will be unable to meet such requirement by that date.

''(2) The Secretary shall submit to Congress written notice of any determination made under paragraph (1) and the reasons for the determination. The Secretary shall submit such notice, if at all, not later than January 1, 2003.

''(d) SECRETARY CONCERNED DEFINED.—In this section, the term 'Secretary concerned' means the Secretary of each military department and the Secretary of Defense with respect to the Defense Agencies.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2378. Procurement of copier paper containing specified percentages of post-consumer recycled content.''.

SEC. 351. PILOT PROGRAM FOR THE SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

(a) AUTHORITY.—(1) The Secretary of Defense may, in consultation with the Administrator of General Services, carry out a pilot program to assess the feasibility and advisability of the sale of economic incentives for the reduction of emission of air pollutants attributable to a facility of a military department.

(2) The Secretary may carry out the pilot program during the period beginning on the date of the enactment of this Act and ending two years after such date.

(b) INCENTIVES AVAILABLE FOR SALE.—(1) Under the pilot program, the Secretary may sell economic incentives for the reduction of emission of air pollutants attributable to a facility of a military department only if such incentives are not otherwise required for the activities or operations of the military department.

(2) The Secretary may not, under the pilot program, sell economic incentives attributable to the closure or realignment of a military installation under a base closure law.

(3) If the Secretary determines that additional sales of economic incentives are likely to result in amounts available for allocation under subsection (c)(2) in a fiscal year in excess of the limitation set forth in subparagraph (B) of that subsection, the Secretary shall not carry out such additional sales in that fiscal year.

(c) USE OF PROCEEDS.—(1) The proceeds of sale of economic incentives attributable to a facility of a military department shall be credited to the funds available to the facility for the costs of identifying, quantifying, or valuing economic incentives for the reduction of emission of air pollutants. The amount credited shall be equal to the cost incurred in identifying, quantifying, or valuing the economic incentives sold.

(2)(A)(i) If after crediting under paragraph (1) a balance remains, the amount of such balance shall be available to the Department of Defense for allocation by the Secretary to the military departments for programs, projects, and activities necessary for compliance with Federal environmental laws, including the purchase of economic incentives for the reduction of emission of air pollutants.

(ii) To the extent practicable, amounts allocated to the military departments under this subparagraph shall be made available to the facilities that generated the economic incentives providing the basis for the amounts.

(B) The total amount allocated under this paragraph in a fiscal year from sales of economic incentives may not equal or exceed $500,000.

(3) If after crediting under paragraph (1) a balance remains in excess of an amount equal to the limitation set forth in paragraph (2)(B), the amount of the excess shall be covered over into the Treasury as miscellaneous receipts.

(4) Funds credited under paragraph (1) or allocated under paragraph (2) shall be merged with the funds to which credited or allocated, as the case may be, and shall be available for the same purposes and for the same period as the funds with which merged.

(d) DEFINITIONS.—In this section:

(1) The term ''base closure law'' means the following:

(A) Section 2687 of title 10, United States Code.

(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(2) The term ''economic incentives for the reduction of emission of air pollutants'' means any transferable economic incentives (including marketable permits and emission rights) necessary or appropriate to meet air quality requirements under the Clean Air Act (42 U.S.C. 7401 et seq.).

Subtitle D—Depot-Level Activities

SEC. 355. DEFINITION OF DEPOT-LEVEL MAINTENANCE AND REPAIR.

(a) DEPOT-LEVEL MAINTENANCE AND REPAIR DEFINED.—Chapter 146 of title 10, United States Code, is amended by inserting before section 2461 the following new section:

''§ 2460. Definition of depot-level maintenance and repair

''(a) IN GENERAL.—In this chapter, the term 'depot-level maintenance and repair' means (except as provided in subsection (b)) material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair. The term includes (1) all aspects of software maintenance classified by the Department of Defense as of July 1, 1995, as depot-level maintenance and repair, and (2) interim contractor support or contractor logistics support (or any similar contractor support), to the extent that such support is for the performance of services described in the preceding sentence.

''(b) EXCEPTIONS.—(1) The term does not include the procurement of major modifications or upgrades of weapon systems that are designed to improve program performance or the nuclear refueling of an aircraft carrier. A major upgrade program covered by this exception could continue to be performed by private or public sector activities.

''(2) The term also does not include the procurement of parts for safety modifications. However, the term does include the installation of parts for that purpose.''.

(b) CONFORMING AMENDMENT.—Section 2469 of title 10, United States Code, is amended in subsections (a) and (b), by striking out ''or repair'' and inserting in lieu thereof ''and repair''.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 146 of title 10, United States Code, is amended by inserting before the item relating to section 2461 the following new item:

''2460. Definition of depot-level maintenance and repair.''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 146 and inserting in lieu thereof the following new item:

''146. Contracting for Performance of Civilian Commercial or Industrial Type Functions ..... 2460''.

SEC. 356. CORE LOGISTICS CAPABILITIES OF DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Section 2464 of title 10, United States Code, is amended to read as follows:

''§ 2464. Core logistics capabilities

''(a) NECESSITY FOR CORE LOGISTICS CAPABILITIES.—(1) It is essential for the national defense that the Department of Defense maintain a core logistics capability that is Government-owned and Government-operated (including Government personnel and Government-owned and Government-operated equipment and facilities) to ensure a ready and controlled source of technical competence and resources necessary to ensure effective and timely response to a mobilization, national defense contingency situations, and other emergency requirements.

''(2) The Secretary of Defense shall identify the core logistics capabilities described in paragraph (1) and the workload required to maintain those capabilities.

''(3) The core logistics capabilities identified under paragraphs (1) and (2) shall include those capabilities that are necessary to maintain and repair the weapon systems and other military equipment (including mission-essential weapon systems or materiel not later than four years after achieving initial operational capability, but excluding systems and equipment under special access programs, nuclear aircraft carriers, and commercial items described in paragraph (5)) that are identified by the Secretary, in consultation with the Chairman of the Joint Chiefs of Staff, as necessary to enable the armed forces to fulfill the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff under section 153(a) of this title.

''(4) The Secretary of Defense shall require the performance of core logistics workloads necessary to maintain the core logistics capabilities identified under paragraphs (1), (2), and (3) at Government-owned, Government-operated facilities of the Department of Defense (including Government-owned, Government-operated facilities of a military department) and shall assign such facilities sufficient workload to ensure cost efficiency and technical competence in peacetime while preserving the surge capacity and reconstitution capabilities necessary to support fully the strategic and contingency plans referred to in paragraph (3).

''(5) The commercial items covered by paragraph (3) are commercial items that have been sold or leased in substantial quantities to the general public and are purchased without modification in the same form that they are sold in the commercial marketplace, or with minor modifications to meet Federal Government requirements.

''(b) LIMITATION ON CONTRACTING.—(1) Except as provided in paragraph (2), performance of workload needed to maintain a logistics capability identified by the Secretary under subsection (a)(2) may not be contracted for performance by non-Government personnel under the procedures and requirements of Office of Management and Budget Circular A–76 or any successor administrative regulation or policy (hereinafter in this section referred to as OMB Circular A–76).

''(2) The Secretary of Defense may waive paragraph (1) in the case of any such logistics capability and provide that performance of the workload needed to maintain that capability shall be considered for conversion to contractor performance in accordance with OMB Circular A–76. Any such waiver shall be made under regulations prescribed by the Secretary and shall be based on a determination by the Secretary that Government performance of the workload is no longer required for national defense reasons. Such regulations shall include criteria for determining whether Government performance of any such workload is no longer required for national defense reasons.

''(3)(A) A waiver under paragraph (2) may not take effect until the expiration of the first period of 30 days of continuous session of Congress that begins on or after the date on which the Secretary submits a report on the waiver to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives.

''(B) For the purposes of subparagraph (A)—

''(i) continuity of session is broken only by an adjournment of Congress sine die; and

''(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.''.

(b) CLERICAL AMENDMENT.—The item relating to such section at the beginning of chapter 146 of such title is amended to read as follows:

''2464. Core logistics capabilities.''.

SEC. 357. INCREASE IN PERCENTAGE OF DEPOT-LEVEL MAINTENANCE AND REPAIR THAT MAY BE CONTRACTED FOR PERFORMANCE BY NON-GOVERNMENT PERSONNEL.

Section 2466(a) of title 10, United States Code, is amended by striking out ''40 percent'' and inserting in lieu thereof ''50 percent''.

SEC. 358. ANNUAL REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.

Subsection (e) of section 2466 of title 10, United States Code, is amended to read as follows:

''(e) REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency, the percentage of the funds referred to in subsection (a) that were expended during the preceding fiscal year for performance of depot-level maintenance and repair workloads by the public and private sectors as required by section 2466 of this title.

''(2) Not later than 90 days after the date on which the Secretary submits the annual report under paragraph (1), the Comptroller General shall submit to Congress the Comptroller General's views on whether the Department of Defense has complied with the requirements of subsection (a) for the fiscal year covered by the report.''.

SEC. 359. REQUIREMENT FOR USE OF COMPETITIVE PROCEDURES IN CONTRACTING FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS FORMERLY PERFORMED AT CLOSED OR REALIGNED MILITARY INSTALLATIONS.

(a) APPLICATION TO CERTAIN WORKLOADS.—(1) Chapter 146 of title 10, United States Code, is amended by inserting after section 2469 the following new section:

''§ 2469a. Use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at certain military installations

''(a) DEFINITIONS.—In this section:

''(1) The term 'closed or realigned military installation' means a military installation where a depot-level maintenance and repair facility was approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) The term 'military installation' includes a former military installation that was a military installation when it was approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 and that has been closed or realigned under the Act.

''(3) The terms 'realignment' and 'realigned' mean a decision under the Defense Base Closure and Realignment Act of 1990 that results in both a reduction and relocation of functions and civilian personnel positions.

''(b) COVERED DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.—Except as provided

in subsection (c), this section applies with respect to any depot-level maintenance and repair workload that—

''(1) was performed as of January 1, 1997, at a military installation that was approved in 1995 for closure or realignment under the Defense Base Closure and Realignment Act of 1990 and that has been closed or realigned under the Act; and

''(2) is proposed to be converted from performance by Department of Defense personnel to performance by a private sector source.

''(c) EXCEPTIONS.—This section shall not apply with respect to—

''(1) a depot-level maintenance and repair workload that is to be consolidated to another military installation (other than a closed or realigned military installation) as a result of a base closure or realignment action or a decision made by the Secretary concerned or the Defense Depot Maintenance Council;

''(2) a workload necessary to maintain a core logistics capability identified under section 2464 of this title; or

''(3) any contract originally entered into before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.

''(d) CONDITIONS AND SOLICITATION.—A solicitation of offers for the performance of any depot-level maintenance and repair workload described in subsection (b) may be issued, and a contract may be awarded pursuant to such a solicitation, only if the following conditions are met with respect to the contract and the solicitation specifically states the conditions:

''(1) The source selection process used in the case of the solicitation and contract permits the consideration of offers submitted by private sector sources and offers submitted by public sector sources.

''(2) The source selection process used in the case of the solicitation and contract requires that, in the comparison of offers, there be taken into account—

''(A) the fair market value (or if fair market value cannot be determined, the estimated book value) of any land, plant, or equipment from a military installation that is proposed by a private offeror to be used to meet a specific workload (whether these assets are provided to the offeror by a local redevelopment authority or by any other source approved by an official of the Department of Defense); and

''(B) the total estimated direct and indirect costs that will be incurred by the Department of Defense and the total estimated direct and indirect savings (including overhead) that will be derived by the Department of Defense.

''(3) The cost standards used to determine the depreciation of facilities and equipment shall, to the maximum extent practicable, provide identical treatment to all public and private sector offerors.

''(4) Any offeror, whether public or private, may offer to perform the workload at any location or locations selected by the offeror and to team with any other public or private entity to perform that workload at one or more locations, including a Center of Industrial and Technical Excellence designated under section 2474 of this title.

''(5) No offeror may be given any preferential consideration for, or in any way be limited to, performing the workload in-place or at any other single location.

''(e) CONTRACTS FOR MULTIPLE WORKLOADS.—(1) A solicitation may be issued for a single contract for the performance of multiple depot-level maintenance and repair workloads described in subsection (b) only if—

''(A) the Secretary of Defense determines in writing that the individual workloads cannot as logically and economically be performed without combination by sources that are potentially qualified to submit an offer and to be awarded a contract to perform those individual workloads;

''(B) the Secretary submits to Congress a report setting forth the determination together with the reasons for the determination; and

''(C) the solicitation of offers for the contract is issued more than 60 days after the date on which the Secretary submits the report.

''(2) The Comptroller General shall review each report submitted under paragraph (1)(B) and, not later than 30 days after the report is submitted to Congress, shall submit to Congress the Comptroller General's views regarding the determination of the Secretary that is set forth in the report, together with any other findings that the Comptroller General considers appropriate.

''(f) COMPETITIVE PROCEDURES REQUIRED.—Section 2304(c)(7) of this title shall not be used as the basis for an exception to the requirement to use competitive procedures for any contract for a depot-level maintenance and repair workload described in subsection (b).

''(g) REVIEWS OF COMPETITIVE PROCEDURES.—If a solicitation of offers for a contract for, or award of, any depot-level maintenance and repair workload described in subsection (b) is issued, the Comptroller General shall—

''(1) within 45 days after the issuance of the solicitation, review the solicitation and report to Congress on whether the solicitation—

''(A) provides substantially equal opportunity for public and private offerors to compete for the contract without regard to the location at which the workload is to be performed; and

''(B) is in compliance with the requirements of this section and all applicable provisions of law and regulations; and

''(2) within 45 days after any contract or award resulting from the solicitation is entered into or made, review the contract or award, including the contracting or award process, and report to Congress on whether—

''(A) the procedures used to conduct the competition—

''(i) provided substantially equal opportunity for public and private offerors to compete for the contract without regard to the location at which the workload is to be performed; and

''(ii) were in compliance with the requirements of this section and all applicable provisions of law and regulations;

''(B) appropriate consideration was given to factors other than cost in the selection of the source for performance of the workload; and

''(C) the contract or award resulted in the lowest total cost to the Department of Defense for performance of the workload.

''(h) RESOLUTION OF WORKLOAD AWARD OBJECTIONS.—Any public or private entity may, pursuant to procedures established by the Secretary, object to a solicitation of offers under this section for the performance of any depot-level maintenance and repair workload, or the award or proposed award of any workload pursuant to such a solicitation. The Secretary may designate a qualified individual or entity to review the objection; however, the Secretary shall not designate the Source Selection Authority or any individual from the same military department as the Source Selection Authority to review the objection. The Secretary shall take appropriate action to address any defect in the solicitation or award in the event that the objection is sustained.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2469 the following new item:

''2469a. Use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at certain military installations.''.

(b) LIMITATION RELATING TO TIMING OF SOLICITATION.—The first solicitation of offers from private sector sources for the performance of a depot-level maintenance and repair workload described in subsection (b) of section 2469a of title 10, United States Code, as added by subsection (a), may be issued pursuant to such section only after the date that is 30 days after the latest of the following:

(1) The date on which the Secretary of Defense publishes and submits to Congress a plan or Department of Defense directive that sets forth the specific procedures for the conduct of competitions among private and public sector entities for such depot-level maintenance and repair workloads.

(2) The date on which the Secretary of Defense submits to Congress the report on allocation of workloads required under subsection (c).

(3) The date on which the Comptroller General is required to submit the report to Congress under subsection (d).

(c) REPORT OF ALLOCATION OF WORKLOAD.—Before any solicitation of offers for the performance by a private sector source of a depot-level maintenance and repair workload at a closed or realigned installation described in subsection (b) of section 2469a of title 10, United States Code, as added by subsection (a), is to be issued, the Secretary of Defense shall submit to Congress a report describing the allocation proposed by the Secretary of all workloads that were performed at that closed or realigned military installation (as defined in subsection (a) of such section) as of July 1, 1995, including—

(1) the workloads that are considered to be core logistics functions under section 2464 of such title;

(2) the workloads that are proposed to be transferred to a military installation other than a closed or realigned military installation;

(3) the workloads that are proposed to be included in the public-private competitions carried out under section 2469a of such title, and, if any of such workloads are to be combined for purposes of such a competition, the reasons for combining the workloads, together with a description of how the workloads are to be combined;

(4) any workload that has been determined within the Department of Defense as no longer being necessary;

(5) the proposed schedule for implementing the allocations covered by the report; and

(6) the anticipated capacity utilization of the military installations and former military installations to which workloads are to be transferred, based on the maximum potential capacity certified to the 1995 Defense Base Closure and Realignment Commission, after the transfers are completed (not taking into account any workloads that may be transferred as a result of a public-private competition carried out under section 2469a of such title, as described in paragraph (3)).

(d) REVIEW REGARDING AWARD FOR C–5 AIRCRAFT WORKLOAD.—(1) The Comptroller General shall conduct a review of the award for the performance of the C–5 aircraft workload that was made to Warner Robins Air Logistics Center. As part of the review, the Comptroller General shall—

(A) determine whether the procedures used to conduct the competition—

(i) provided substantially equal opportunity for public and private offerors to compete for the award without regard to the location at which the workload is to be performed; and

(ii) are in compliance with the requirements of all applicable provisions of law and the Federal Acquisition Regulation; and

(B) determine whether that award results in the lowest total cost to the Department of Defense for performance of the workload.

(2) Not later than 60 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the review.

SEC. 360. CLARIFICATION OF PROHIBITION ON MANAGEMENT OF DEPOT EMPLOYEES BY CONSTRAINTS ON PERSONNEL LEVELS.

Section 2472(a) of title 10, United States Code, is amended by striking out the first sentence

and inserting in lieu thereof the following: ''The civilian employees of the Department of Defense, including the civilian employees of the military departments and the Defense Agencies, who perform, or are involved in the performance of, depot-level maintenance and repair workloads may not be managed on the basis of any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.''.

SEC. 361. CENTERS OF INDUSTRIAL AND TECHNICAL EXCELLENCE.

(a) DESIGNATION AND PURPOSE.—(1) Chapter 146 of title 10, United States Code, is amended by adding at the end the following new section:

''§2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships

''(a) DESIGNATION.—(1) The Secretary of Defense shall designate each depot-level activity of the military departments and the Defense Agencies (other than facilities approved for closure or major realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)) as a Center of Industrial and Technical Excellence in the recognized core competencies of the activity.

''(2) The Secretary shall establish a policy to encourage the Secretary of each military department and the head of each Defense Agency to reengineer industrial processes and adopt best-business practices at their depot-level activities in connection with their core competency requirements, so as to serve as recognized leaders in their core competencies throughout the Department of Defense and in the national technology and industrial base (as defined in section 2500(1) of this title).

''(3) The Secretary of a military department may conduct a pilot program, consistent with applicable requirements of law, to test any practices referred to in paragraph (2) that the Secretary determines could improve the efficiency and effectiveness of depot-level operations, improve the support provided by depot-level activities for the armed forces user of the services of such activities, and enhance readiness by reducing the time that it takes to repair equipment.

''(b) PUBLIC-PRIVATE PARTNERSHIPS.—The Secretary of Defense shall enable Centers of Industrial and Technical Excellence to enter into public-private cooperative arrangements for the performance of depot-level maintenance and repair at such Centers and shall encourage the use of such arrangements to maximize the utilization of the capacity at such Centers. A public-private cooperative arrangement under this subsection shall be known as a 'public-private partnership'.

''(c) CREDITING OF AMOUNTS FOR PERFORMANCE.—Amounts received by a Center for work performed under a public-private partnership shall be credited to the appropriation or fund, including a working-capital fund, that incurs the cost of performing the work.

''(d) ADDITIONAL WORK.—The policy required under subsection (a) shall include measures to enable a private sector entity that enters into a partnership arrangement under subsection (b) or leases excess equipment and facilities at a Center of Industrial and Technical Excellence pursuant to section 2471 of this title to perform additional work at the Center, subject to the limitations outlined in subsection (b) of such section, outside of the types of work normally assigned to the Center.''.

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

''2474. Centers of Industrial and Technical Excellence: designation; public-private partnerships.''.

(b) LEASE OF EXCESS DEPOT-LEVEL EQUIPMENT AND FACILITIES.—(1) Section 2471(c) of such title is amended to read as follows:

''(c) CONFORMANCE WITH AUTHORITY UNDER SECTION 2667.—The provisions of subsection (d) of section 2667 of this title shall apply to this section in the same manner as such provisions are applicable under that section.''.

(2) Section 2667(d)(2) of such title is amended by inserting ''or working capital fund'' before ''from which''.

(c) REPORTING REQUIREMENT.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress a report on the policies established by the Secretary pursuant to section 2474 of title 10, United States Code, to implement the requirements of such section. The report shall include—

(1) the details of any public-private partnerships entered into as of that date under subsection (b) of such section;

(2) the details of any leases entered into as of that date under section 2471 of such title with authorized entities for dual-use (military and nonmilitary) purposes; and

(3) the effect that the partnerships and leases had on capacity utilization, depot rate structures, and readiness.

SEC. 362. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684) is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 363. REPEAL OF A CONDITIONAL REPEAL OF CERTAIN DEPOT-LEVEL MAINTENANCE AND REPAIR LAWS AND A RELATED REPORTING REQUIREMENT.

Section 311 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 247; 10 U.S.C. 2464 note) is amended by striking out subsections (f) and (g).

SEC. 364. PERSONNEL REDUCTIONS, ARMY DEPOTS PARTICIPATING IN ARMY WORKLOAD AND PERFORMANCE SYSTEM.

(a) LIMITATION.—Except as necessary to implement BRAC 1995 decisions at Red River Army Depot, Texas, and Letterkenny Army Depot, Pennsylvania, the Secretary of the Army may not initiate a reduction in force of civilian employees at the five Army depots participating in the demonstration and testing of the Army Workload and Performance System until after the date on which the Secretary submits to Congress a report certifying that the Army Workload and Performance System is fully operational.

(b) BRAC 1995 DECISIONS DEFINED.—The term ''BRAC 1995 decisions'' means the decisions to close or realign certain military installations resulting from the recommendations approved in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 365. REPORT ON ALLOCATION OF CORE LOGISTICS ACTIVITIES AMONG DEPARTMENT OF DEFENSE FACILITIES AND PRIVATE SECTOR FACILITIES.

(a) REPORT.—Not later than May 31, 1998, the Secretary of Defense shall submit to Congress a report on the allocation among facilities of the Department of Defense and facilities in the private sector of the logistics activities that are necessary to maintain and repair the weapon systems and other military equipment identified by the Secretary, in consultation with the Chairman of the Joint Chiefs of Staff, as being necessary to enable the Armed Forces to conduct a strategic or major theater war.

(b) ELEMENTS.—The report under subsection (a) shall set forth the following:

(1) The systems or equipment identified under subsection (a) that must be maintained and repaired in Government-owned, Government-operated facilities, using personnel and equipment of the Department, as a result of the Secretary's determination that—

(A) the work involves unique or valuable workforce skills that should be maintained in the public sector in the national interest;

(B) the base of private sector sources having the capability to perform the workloads includes industry sectors that are vulnerable to work stoppages;

(C) the private sector sources having the capability to perform the workloads have insufficient workforce levels or skills to perform the depot-level maintenance and repair workloads—

(i) in the quantity necessary, or as rapidly as the Secretary considers necessary, to enable the armed forces to fulfill the national military strategy; or

(ii) without a significant disruption or delay in the maintenance and repair of equipment;

(D) the need for performance of workloads is too infrequent, cyclical, or variable to sustain a reliable base of private sector sources having the workforce levels or skills to perform the workloads;

(E) the market conditions or workloads are insufficient to ensure that the price of private sector performance of the workloads can be controlled through competition or other means;

(F) private sector sources are not adequately responsive to the requirements of the Department for rapid, cost-effective, and flexible response to surge requirements or other contingency situations, including changes in the mix or priority of previously scheduled workloads and reassignment of employees to different workloads without the requirement for additional contractual negotiations;

(G) private sector sources are less willing to assume responsibility for performing the workload as a result of the possibility of direct military or terrorist attack; or

(H) private sector sources cannot maintain continuity of workforce expertise as a result of high rates of employee turnover.

(2) The systems or equipment identified under subsection (a) that must be maintained and repaired in Government-owned facilities, whether Government operated or contractor-operated, as a result of the Secretary's determination that—

(A) the work involves facilities, technologies, or equipment that are unique and sufficiently valuable that the facilities, technologies, or equipment must be maintained in the public sector in the national interest;

(B) the private sector sources having the capability to perform the workloads have insufficient facilities, technology, or equipment to perform the depot-level maintenance and repair workloads—

(i) in the quantity necessary, or as rapidly as the Secretary considers necessary, to enable the armed forces to fulfill the national military strategy; or

(ii) without a significant disruption or delay in the maintenance and repair of equipment; or

(C) the need for performance of workloads is too infrequent, cyclical, or variable to sustain a reliable base of private sector sources having the facilities, technology, or equipment to perform the workloads.

(3) The systems or equipment identified under subsection (a) that may be maintained and repaired in private sector facilities.

(4) The approximate percentage of the total maintenance and repair workload of the Department of Defense necessary for the systems and equipment identified under subsection (a) that would be performed at Department of Defense facilities, and at private sector facilities, as a result of the determinations made for purposes of paragraphs (1), (2), and (3).

SEC. 366. REVIEW OF USE OF TEMPORARY DUTY ASSIGNMENTS FOR SHIP REPAIR AND MAINTENANCE.

(a) FINDINGS.—Congress makes the following findings:

(1) In order to reduce the time that the crew of a naval vessel is away from the homeport of the vessel, the Navy seeks to perform ship repair and maintenance of the vessel at the homeport of the vessel whenever it takes six months or less to accomplish the work involved.

(2) At the same time, the Navy seeks to distribute ship repair and maintenance work among

the Navy shipyards (known as to ''level load'') in order to more fully utilize personnel resources.

(3) During periods when a Navy shipyard is not utilized to its capacity, the Navy sometimes sends workers at the shipyard, on a temporary duty basis, to perform ship repairs and maintenance at a homeport not having a Navy shipyard.

(4) This practice is a more efficient use of civilian employees who might otherwise not be fully employed on work assigned to Navy shipyards.

(b) COMPTROLLER GENERAL REVIEW AND REPORT.—(1) The Comptroller General shall review the Navy's practice of using temporary duty assignments of personnel to perform ship maintenance and repair work at homeports not having Navy shipyards. The review shall include the following:

(A) An assessment of the rationale, conditions, and factors supporting the Navy's practice.

(B) A determination of whether the practice is cost-effective.

(C) The factors affecting future requirements for, and the adherence to, the practice, together with an assessment of the factors.

(2) Not later than May 1, 1998, the Comptroller General shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 367. SENSE OF CONGRESS REGARDING REALIGNMENT OF PERFORMANCE OF GROUND COMMUNICATION-ELECTRONIC WORKLOAD.

It is the sense of Congress that the transfer of the ground communication-electronic workload to Tobyhanna Army Depot, Pennsylvania, in the realignment of the performance of such function should be carried out in adherence to the schedule prescribed for that transfer by the Defense Depot Maintenance Council on March 13, 1997, as follows:

(1) Transfer of 20 percent of the workload in fiscal year 1998.

(2) Transfer of 40 percent of the workload in fiscal year 1999.

(3) Transfer of 40 percent of the workload in fiscal year 2000.

Subtitle E—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 371. REORGANIZATION OF LAWS REGARDING COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) DESCRIPTION OF CHAPTER.—(1) The heading of chapter 147 of title 10, United States Code, is amended to read as follows:

''CHAPTER 147—COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION ACTIVITIES''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 147 and inserting in lieu thereof the following new item:

''147. Commissaries and Exchanges and Other Morale, Welfare, and Recreation Activities ..... 2481''.

(b) TRANSFER AND REDESIGNATION OF UNRELATED PROVISIONS.—(1) Section 2481 of title 10, United States Code, is transferred to chapter 159 of such title, inserted after section 2685, and redesignated as section 2686.

(2) Sections 2483 and 2490 of such title are transferred to the end of subchapter III of chapter 169 of such title and redesignated as sections 2867 and 2868, respectively.

(3) Section 2491 of such title is redesignated as section 2500.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 147 of title 10, United States Code, is amended by striking out the items relating to sections 2481, 2483, and 2490.

(2) The table of sections at the beginning of chapter 159 of such title is amended by inserting after the item relating to section 2685 the following new item:

''2686. Utilities and services: sale; expansion and extension of systems and facilities.''.

(3) The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by adding at the end the following new items:

''2867. Sale of electricity from alternate energy and cogeneration production facilities.

''2868. Utility services: furnishing for certain buildings.''.

(4) The table of sections at the beginning of subchapter I of chapter 148 of such title is amended by striking out the item relating to section 2491 and inserting in lieu thereof the following new item:

''2500. Definitions.''.

(5) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by striking out the item relating to chapter 148 and inserting in lieu thereof the following new item:

''148. National Defense Technology and Industrial Base, Defense Reinvestment, and Defense Conversion ..... 2500''.

(d) CONFORMING AMENDMENTS.—(1) Section 2534(d) of title 10, United States Code, is amended by striking out ''section 2491(1)'' both places it appears and inserting in lieu thereof ''section 2500(1)''.

(2) Section 2865(b)(2) of such title is amended by striking out ''section 2483(b)(2)'' and inserting in lieu thereof ''section 2867(b)(2)''.

SEC. 372. MERCHANDISE AND PRICING REQUIREMENTS FOR COMMISSARY STORES.

(a) AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.—Subsection (b) of section 2486 of title 10, United States Code, is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following: ''(b) AUTHORIZED COMMISSARY MERCHANDISE CATEGORIES.—Merchandise sold in, at, or by commissary stores may include items only in the following categories:''; and

(2) by striking out paragraph (11) and inserting in lieu thereof the following new paragraph:

''(11) Such other merchandise categories as the Secretary of Defense may prescribe, except that the Secretary shall submit to Congress, not later than March 1 of each year, a report describing—

''(A) any addition of, or change in, a merchandise category proposed to be made under this paragraph during the one-year period beginning on that date; and

''(B) those additions and changes in merchandise categories actually made during the preceding one-year period.''.

(b) CODIFICATION OF UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.—Subsection (c) of such section is amended—

(1) by inserting ''UNIFORM SALES PRICE SURCHARGE OR ADJUSTMENT.—'' after ''(c)'';

(2) by striking out ''in commissary stores.'' and inserting in lieu thereof ''in, at, or by commissary stores.''; and

(3) by adding at the end the following new sentence: ''Effective on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998, the uniform percentage shall be equal to five percent and may not be changed except by a law enacted after such date.''.

(c) ESTABLISHMENT OF SALES PRICE; CONGRESSIONAL NOTIFICATION.—Subsection (d) of such section is amended to read as follows:

''(d) SALES PRICE ESTABLISHMENT.—(1) The Secretary of Defense shall establish the sales price of each item of merchandise sold in, at, or by commissary stores at the level that will recoup the actual product cost of the item (consistent with this section and sections 2484 and 2685 of this title).

''(2) Any change in the pricing policies for merchandise sold in, at, or by commissary stores shall not take effect until the Secretary of Defense submits written notice of the proposed change to Congress and a period of 90 days of continuous session of Congress expires following the date on which notice was received For purposes of this paragraph, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment or recess of more than three days to a day certain are excluded in a computation of such 90-day period.''.

(d) SPECIAL RULES FOR CERTAIN MERCHANDISE.—Such section is further amended by adding at the end the following new subsection:

''(f) SPECIAL RULES FOR CERTAIN MERCHANDISE.—(1) Notwithstanding the general requirement that merchandise sold in, at, or by commissary stores be commissary store inventory, the Secretary of Defense may authorize the sale of items in the merchandise categories specified in paragraph (2) as noncommissary store inventory. Subsections (c) and (d) shall not apply to the pricing of such merchandise items.

''(2) The merchandise categories referred to in paragraph (1) are as follows:

''(A) Magazines and other periodicals.

''(B) Tobacco products.''.

(e) CLERICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''IN GENERAL.—'' after ''(a)''; and

(2) in subsection (e)—

(A) by inserting ''SPECIAL RULE FOR BRAND-NAME COMMERCIAL ITEMS.—'' after ''(e)''; and

(B) by striking out ''in commissary stores'' both places it appears and inserting in lieu thereof ''in, at, or by commissary stores''.

(f) REPORT ON MERCHANDISE CATEGORIES.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report specifying the merchandise categories authorized for sale sold in, at, or by commissary stores pursuant to regulations prescribed under subsection (b)(11) of section 2486 of title 10, United States Code, as in effect before such date.

SEC. 373. LIMITATION ON NONCOMPETITIVE PROCUREMENT OF BRAND-NAME COMMERCIAL ITEMS FOR RESALE IN COMMISSARY STORES.

Section 2486(e) of title 10, United States Code, as amended by section 372(e)(2), is further amended by adding at the end the following new sentence: ''In determining whether a brand name commercial item is regularly sold outside of commissary stores, the Secretary shall consider only sales of the item on a regional or national basis by commercial grocery or other retail operations consisting of multiple stores.''.

SEC. 374. TREATMENT OF REVENUES DERIVED FROM COMMISSARY STORE ACTIVITIES.

(a) TREATMENT OF REVENUES.—Section 2685 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) OTHER SOURCES OF FUNDS FOR CONSTRUCTION AND IMPROVEMENTS.—Revenues received by the Secretary of Defense from the following sources or activities of commissary store facilities shall be available for the purposes set forth in subsections (b), (c), and (d):

''(1) Sale of recyclable materials.

''(2) Sale of excess and surplus property.

''(3) License fees.

''(4) Royalties.

''(5) Fees paid by sources of products in order to obtain favorable display of the products for resale, known as business related management fees.''.

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''ADJUSTMENT OR SURCHARGE AUTHORIZED.—'' after ''(a)'';

(2) in subsection (b), by inserting ''USE FOR CONSTRUCTION AND IMPROVEMENT OF FACILITIES.—'' after ''(b)'';

(3) in subsection (c), by inserting ''ADVANCE OBLIGATION.—'' after ''(c)''; and

(4) in subsection (d), by inserting ''COOPERATION WITH NONAPPROPRIATED FUND INSTRUMENTALITIES.—'' after ''(d)''.

SEC. 375. MAINTENANCE, REPAIR, AND RENOVATION OF ARMED FORCES RECREATION CENTER, EUROPE.

Section 2247(b) of title 10, United States Code, is amended by striking out ''real property maintenance, and'' and inserting in lieu thereof ''the maintenance, repair, or renovation of real property, and the''.

SEC. 376. PLAN FOR USE OF PUBLIC AND PRIVATE PARTNERSHIPS TO BENEFIT MORALE, WELFARE, AND RECREATION ACTIVITIES.

(a) PLAN REQUIRED.—The Secretary of Defense shall prepare a plan containing a proposal regarding the advisability and feasibility of permitting nonappropriated fund instrumentalities of the Department of Defense to enter into leases, licensing agreements, concession agreements, and other contracts with private persons and State or local governments to facilitate the provision of facilities, goods, or services to authorized patrons of nonappropriated fund instrumentalities and to generate revenues for the Department of Defense to be used solely for the benefit of nonappropriated fund instrumentalities.

(b) RECOMMENDATIONS FOR SCOPE OF PLAN.—In developing the proposal under subsection (a), the Secretary shall include recommendations regarding the following:

(1) The proposed criteria to be used to select goods or services suitable for provision to patrons of nonappropriated fund instrumentalities through a lease or other contractual arrangement.

(2) The proposed mechanism to be used to assess the likely impact of such a lease or other contractual arrangement on private businesses in the locality that provide the same goods or services proposed to be provided under such a lease or other contractual arrangement.

(3) The feasibility and desirability of authorizing persons who are not authorized patrons of nonappropriated fund instrumentalities to receive goods and services provided through such a lease or other contractual arrangement.

(4) The proposed mechanism to be used to ensure that such a lease or contract will not be inconsistent with and will not adversely affect the mission of the Department of Defense or the nonappropriated fund instrumentality involved.

(c) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretary shall submit to Congress the plan required under subsection (a).

Subtitle F—Other Matters

SEC. 381. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 1998.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available for providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

(2) $5,000,000 shall be available for making educational agencies payments (as defined in subsection (d)(2)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 1998, the Secretary of Defense shall—

(1) notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1998 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1998 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under paragraphs (1) and (2) of subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term ''educational agencies assistance'' means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term ''educational agencies payments'' means payments authorized under section 386(d) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(3) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

(e) TECHNICAL CORRECTION RELATING TO ORIGINAL ASSISTANCE AUTHORITY.—Section 386(c)(1) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note) is amended—

(1) by striking out ''section 8003(a)'' and inserting in lieu thereof ''section 8003(a)(1)''; and

(2) by striking out ''(20 U.S.C. 7703(a))'' and inserting in lieu thereof ''(20 U.S.C. 7703(a)(1))''.

SEC. 382. CENTER FOR EXCELLENCE IN DISASTER MANAGEMENT AND HUMANITARIAN ASSISTANCE.

(a) ESTABLISHMENT AND OPERATION OF CENTER.—(1) Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 182. Center for Excellence in Disaster Management and Humanitarian Assistance

''(a) ESTABLISHMENT.—The Secretary of Defense may operate a Center for Excellence in Disaster Management and Humanitarian Assistance (in this section referred to as the 'Center').

''(b) MISSIONS.—(1) The Center shall be used to provide and facilitate education, training, and research in civil-military operations, particularly operations that require international disaster management and humanitarian assistance and operations that require coordination between the Department of Defense and other agencies.

''(2) The Center shall be used to make available high-quality disaster management and humanitarian assistance in response to disasters.

''(3) The Center shall be used to provide and facilitate education, training, interagency coordination, and research on the following additional matters:

''(A) Management of the consequences of nuclear, biological, and chemical events.

''(B) Management of the consequences of terrorism.

''(C) Appropriate roles for the reserve components in the management of such consequences and in disaster management and humanitarian assistance in response to natural disasters.

''(D) Meeting requirements for information in connection with regional and global disasters, including the use of advanced communications technology as a virtual library.

''(E) Tropical medicine, particularly in relation to the medical readiness requirements of the Department of Defense.

''(4) The Center shall develop a repository of disaster risk indicators for the Asia-Pacific region.

''(5) The Center shall perform such other missions as the Secretary of Defense may specify.

''(c) JOINT OPERATION WITH EDUCATIONAL INSTITUTION AUTHORIZED.—The Secretary of Defense may enter into an agreement with appropriate officials of an institution of higher education to provide for joint operation of the Center. Any such agreement shall provide for the institution to furnish necessary administrative services for the Center, including administration and allocation of funds.

''(d) ACCEPTANCE OF DONATIONS.—(1) Except as provided in paragraph (2), the Secretary of Defense may accept, on behalf of the Center, donations to be used to defray the costs of the Center or to enhance the operation of the Center. Such donations may be accepted from any agency of the Federal Government, any State or local government, any foreign government, any foundation or other charitable organization (including any that is organized or operates under the laws of a foreign country), or any other private source in the United States or a foreign country.

''(2) The Secretary may not accept a donation under paragraph (1) if the acceptance of the donation would compromise or appear to compromise—

''(A) the ability of the Department of Defense, any employee of the Department, or members of the armed forces, to carry out any responsibility or duty of the Department in a fair and objective manner; or

''(B) the integrity of any program of the Department of Defense or of any person involved in such a program.

''(3) The Secretary shall prescribe written guidance setting forth the criteria to be used in determining whether or not the acceptance of a foreign donation would have a result described in paragraph (2).

''(4) Funds accepted by the Secretary under paragraph (1) as a donation on behalf of the Center shall be credited to appropriations available to the Department of Defense for the Center. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Center for the same purposes and the same period as the appropriations with which merged.''.

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

''182. Center for Excellence in Disaster Management and Humanitarian Assistance.''.

(b) FUNDING FOR FISCAL YEAR 1998.—Of the funds authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 shall be available for the operation of the Center for Excellence in Disaster Management and Humanitarian Assistance established under section 182 of title 10, United States Code, as added by subsection (a).

SEC. 383. APPLICABILITY OF FEDERAL PRINTING REQUIREMENTS TO DEFENSE AUTOMATED PRINTING SERVICE.

(a) IN GENERAL.—Subchapter I of chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 195. Defense Automated Printing Service: applicability of Federal printing requirements

''The Defense Automated Printing Service shall comply fully with the requirements of section 501 of title 44 relating to the production and procurement of printing, binding, and blankbook work.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

''195. Defense Automated Printing Service: applicability of Federal printing requirements.''.

SEC. 384. STUDY AND NOTIFICATION REQUIREMENTS FOR CONVERSION OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

(a) ADDITIONAL NOTIFICATION REQUIREMENT.—Subsection (a)(1) of section 2461 of title 10, United States Code, is amended by inserting before the semicolon the following: ''and the anticipated length and cost of the study''.

(b) NOTIFICATION OF CONVERSION DECISION.—Subsection (b) of such section amended by adding at the end the following new sentence: ''The notification shall include the timetable for completing conversion of the function to contractor performance.''.

(c) WAIVER FOR SMALL FUNCTIONS.—Subsection (d) of such section is amended by striking out ''45 or fewer'' and inserting in lieu thereof ''20 or fewer''.

SEC. 385. COLLECTION AND RETENTION OF COST INFORMATION DATA ON CONVERTED SERVICES AND FUNCTIONS.

(a) COLLECTION AND RETENTION REQUIRED.—Section 2463 of title 10, United States Code, is amended to read as follows:

''§ 2463. Collection and retention of cost information data on converted services and functions

''(a) REQUIREMENTS IN CONNECTION WITH CONVERSION TO CONTRACTOR PERFORMANCE.—With respect to each contract converting the performance of a service or function of the Department of Defense to contractor performance (and any extension of such a contract), the Secretary of Defense shall collect, during the term of the contract or extension, but not to exceed five years, cost information data regarding performance of the service or function by private contractor employees.

''(b) REQUIREMENTS IN CONNECTION WITH RETURN TO EMPLOYEE PERFORMANCE.—Whenever the performance of a commercial or industrial type activity of the Department of Defense that is being performed by 50 or more employees of a private contractor is changed to performance by civilian employees of the Department of Defense, the Secretary of Defense shall collect, for a five-year period, cost information data comparing—

''(1) the estimated costs of continued performance of such activity by private contractor employees; and

''(2) the costs of performance of such activity by civilian employees of the Department of Defense.

''(c) RETENTION OF INFORMATION.—With regard to the conversion to or from contractor performance of a particular service or function of the Department of Defense, the Secretary of Defense shall provide for the retention of information collected under this section for at least a 10-year period beginning at the end of the final year in which the information is collected.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 146 of title 10, United States Code, is amended to read as follows:

''2463. Collection and retention of cost information data on converted services and functions.''.

SEC. 386. FINANCIAL ASSISTANCE TO SUPPORT ADDITIONAL DUTIES ASSIGNED TO ARMY NATIONAL GUARD.

(a) AUTHORITY.—Chapter 1 of title 32, United States Code, is amended by adding at the end the following new section:

''§ 113. Federal financial assistance for support of additional duties assigned to the Army National Guard

''(a) AUTHORITY.—The Secretary of the Army may provide financial assistance to a State to support activities carried out by the Army National Guard of the State in the performance of duties that the Secretary has assigned, with the consent of the Chief of the National Guard Bureau, to the Army National Guard of the State. The Secretary shall determine the amount of the assistance that is appropriate for the purpose.

''(b) COVERED ACTIVITIES.—Activities supported under this section may include only those activities that are carried out by the Army National Guard in the performance of responsibilities of the Secretary of the Army under paragraphs (6), (10), and (11) of section 3013(b) of title 10.

''(c) DISBURSEMENT THROUGH NATIONAL GUARD BUREAU.—The Secretary of the Army shall disburse any contribution under this section through the Chief of the National Guard Bureau.

''(d) AVAILABILITY OF FUNDS.—Funds appropriated for the Army for a fiscal year are available for providing financial assistance under this section in support of activities carried out by the Army National Guard during that fiscal year.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''113. Federal financial assistance for support of additional duties assigned to the Army National Guard.''.

SEC. 387. COMPETITIVE PROCUREMENT OF PRINTING AND DUPLICATION SERVICES.

(a) EXTENSION OF REQUIREMENT TO USE PRIVATE-SECTOR SOURCES.—Subsection (a) of section 351 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 266) is amended—

(1) by striking out ''and 1997'' and inserting in lieu thereof ''through 1998''; and

(2) by striking out ''Defense Printing Service'' and inserting in lieu thereof ''Defense Automated Printing Service''.

(b) SURCHARGE FOR SERVICES.—Such section is further amended by adding at the end the following new subsection:

''(d) CONDITIONS ON IMPOSITION OF SURCHARGE.—(1) Any surcharge imposed by the Defense Automated Printing Service on printing and duplication services for the Department of Defense shall be based on direct services provided by the Defense Automated Printing Service and reflect the costs incurred by the Defense Automated Printing Service, as described in its annual budget.

''(2) The Defense Automated Printing Service may not impose a surcharge on any printing and duplication service for the Department of Defense that is procured from a source outside of the Department.''.

(c) AUTHORITY TO PROCURE SERVICES FROM GOVERNMENT PRINTING OFFICE.—Consistent with section 501 of title 44, United States Code, the Secretary of a military department or head of a Defense Agency may contract directly with the Government Printing Office for printing and duplication services otherwise available through the Defense Automated Printing Service.

SEC. 388. CONTINUATION AND EXPANSION OF DEMONSTRATION PROGRAM TO IDENTIFY OVERPAYMENTS MADE TO VENDORS.

(a) SCOPE OF PROGRAM.—Section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 268; 10 U.S.C. 2461 note) is amended—

(1) in subsection (a), by striking out the second sentence; and

(2) in subsection (b)(1), by striking out ''of the Defense Logistics Agency that relate to (at least) fiscal years 1993, 1994, and 1995'' and inserting in lieu thereof ''relating to fiscal years after fiscal year 1993 of the working-capital funds and industrial, commercial, and support type activities managed through the Defense Business Operations Fund, except the Defense Logistics Agency to the extent such records have already been audited''.

(b) COLLECTION METHOD; CONTRACTOR PAYMENTS.—Such section is further amended by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsections:

''(d) COLLECTION METHOD.—(1) In the case of an overpayment to a vendor identified under the demonstration program, the Secretary shall consider the use of the procedures specified in section 32.611 of the Federal Acquisition Regulation, regarding a setoff against existing invoices for payment to the vendor, as the first method by which the Department seeks to recover the amount of the overpayment (and any applicable interest and penalties) from the vendor.

''(2) The Secretary of Defense shall be solely responsible for notifying a vendor of an overpayment made to the vendor and identified under the demonstration program and for recovering the amount of the overpayment (and any applicable interest and penalties) from the vendor.

''(e) FEES FOR CONTRACTOR.—The Secretary shall pay to the contractor under the contract entered into under the demonstration program an amount not to exceed 25 percent of the total amount recovered by the Department (through the collection of overpayments and the use of setoffs) solely on the basis of information obtained as a result of the audits performed by the contractor under the program. When an overpayment is recovered through the use of a setoff, amounts for the required payment to the contractor shall be derived from funds available to the working-capital fund or industrial, commercial, or support type activity for which the overpayment is recovered.''.

(c) GAO REVIEW.—Not later than December 31, 1998, the Comptroller General shall submit to Congress a report containing the results of a review by the Comptroller General of the demonstration program conducted under section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 2461 note). In the review, the Comptroller General shall—

(1) assess the success of the methods used in the demonstration program to identify overpayments made to vendors;

(2) consider the types of overpayments identified and the feasibility of avoiding such overpayments through contract adjustments;

(3) determine the total amount of overpayments recovered under the demonstration program; and

(4) develop recommendations for improving the process by which overpayments are recovered by the Department of Defense.

SEC. 389. DEVELOPMENT OF STANDARD FORMS REGARDING PERFORMANCE WORK STATEMENT AND REQUEST FOR PROPOSAL FOR CONVERSION OF CERTAIN OPERATIONAL FUNCTIONS OF MILITARY INSTALLATIONS.

(a) STANDARDIZATION OF REQUIREMENTS.—The Secretary of Defense is authorized and encouraged to develop standard forms (to be known as a ''standard performance work statement'' and a ''standard request for proposal'') for use in the consideration for conversion to contractor performance of commercial services and functions at military installations. A separate standard form shall be developed for each service and function.

(b) RELATIONSHIP TO OMB REQUIREMENTS.—A standard performance work statement or a standard request for proposal developed under subsection (a) must fulfill the basic requirements of the performance work statement or request for proposal otherwise required under the procedures and requirements of Office of Management and Budget Circular A–76 (or any successor administrative regulation or policy) in effect at the time the standard form will be used.

(c) PRIORITY DEVELOPMENT OF CERTAIN FORMS.—In developing standard performance work statements and standard requests for proposal, the Secretary shall give first priority to those commercial services and functions that the Secretary determines have been successfully converted to contractor performance on a repeated basis.

(d) INCENTIVE FOR USE.—Beginning not later than October 1, 1998, if a standard performance work statement or a standard request for proposal is developed under subsection (a) for a particular service and function, the standard form may be used in lieu of the performance work statement or request for proposal otherwise required under the procedures and requirements of Office of Management and Budget Circular

A–76 in connection with the consideration for conversion to contractor performance of that service or function at a military installation.

(e) EXCLUSION OF MULTI-FUNCTION CONVERSION.—If a commercial service or function for which a standard form is developed under subsection (a) is combined with another service or function (for which such a form has not yet been developed) for purposes of considering the services and functions at the military installation for conversion to contractor performance, a standard performance work statement or a standard request for proposal developed under subsection (a) may not be used in the conversion process in lieu of the procedures and requirements of Office of Management and Budget Circular A–76.

(f) EFFECT ON OTHER LAWS.—Nothing in this section shall be construed to supersede any other requirements or limitations, specifically contained in chapter 146 of title 10, United States Code, on the conversion to contractor performance of activities performed by civilian employees of the Department of Defense.

(g) GAO REPORT.—Not later than June 1, 1999, the Secretary of Defense shall submit to Congress a report reviewing the implementation of this section.

(h) MILITARY INSTALLATION DEFINED.—For purposes of this section, the term ''military installation'' means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility.

SEC. 390. BASE OPERATIONS SUPPORT FOR MILITARY INSTALLATIONS ON GUAM.

(a) CONTRACTOR USE OF NONIMMIGRANT ALIENS.—Each contract for base operations support to be performed on Guam shall contain a condition that work under the contract may not be performed by any alien who is issued a visa or otherwise provided nonimmigrant status under section 101(a)(15)(H)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)).

(b) APPLICATION OF SECTION.—This section shall apply to contracts entered into, amended, or otherwise modified on or after the date of the enactment of this Act.

SEC. 391. WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Defense may carry out a pilot program to use commercial sources of services to improve the collection of Department of Defense claims under aircraft engine warranties.

(b) CONTRACTS.—Exercising the authority provided in section 3718 of title 31, United States Code, the Secretary of Defense may enter into contracts under the pilot program to provide for the following services:

(1) Collection services.

(2) Determination of amounts owed the Department of Defense for repair of aircraft engines for conditions covered by warranties.

(3) Identification and location of the sources of information that are relevant to collection of Department of Defense claims under aircraft engine warranties, including electronic data bases and document filing systems maintained by the Department of Defense or by the manufacturers and suppliers of the aircraft engines.

(4) Services to define the elements necessary for an effective training program to enhance and improve the performance of Department of Defense personnel in collecting and organizing documents and other information that are necessary for efficient filing, processing, and collection of Department of Defense claims under aircraft engine warranties.

(c) CONTRACTOR FEE.—Under the authority provided in section 3718(d) of title 31, United States Code, a contract entered into under the pilot program shall provide for the contractor to be paid, out of the amount recovered by the contractor under the program, such percentages of the amount recovered as the Secretary of Defense determines appropriate.

(d) RETENTION OF RECOVERED FUNDS.—Subject to any obligation to pay a fee under subsection (c), any amount collected for the Department of Defense under the pilot program for a repair of an aircraft engine for a condition covered by a warranty shall be credited to an appropriation available for repair of aircraft engines for the fiscal year in which collected and shall be available for the same purposes and same period as the appropriation to which credited.

(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.

(f) TERMINATION OF AUTHORITY.—The pilot program shall terminate on September 30, 1999, and contracts entered into under this section shall terminate not later than that date.

(g) REPORTING REQUIREMENTS.—(1) Not later than January 1, 2000, the Secretary of Defense shall submit to Congress a report on the pilot program. The report shall include the following:

(A) The number of contracts entered into under the program.

(B) The extent to which the services provided under the contracts resulted in financial benefits for the Federal Government.

(C) Any additional comments and recommendations that the Secretary considers appropriate regarding use of commercial sources of services for collection of Department of Defense claims under aircraft engine warranties.

(2) Not later than March 1, 2000, the Comptroller General shall submit to Congress a report containing the results of a review by the Comptroller General of the pilot program. In the review, the Comptroller General shall—

(A) assess the success of the methods used in the demonstration program to identify and recover Department of Defense claims under aircraft engine warranties;

(B) determine the total amount recovered by the Department of Defense under the pilot program;

(C) evaluate the report prepared by the Secretary under paragraph (1); and

(D) develop recommendations for improving the process by which warranty claims are recovered by the Department of Defense.

SEC. 392. PROGRAM TO INVESTIGATE FRAUD, WASTE, AND ABUSE WITHIN DEPARTMENT OF DEFENSE.

The Secretary of Defense shall maintain a specific coordinated program for the investigation of evidence of fraud, waste, and abuse within the Department of Defense, particularly fraud, waste, and abuse regarding finance and accounting matters.

SEC. 393. MULTITECHNOLOGY AUTOMATED READER CARD DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of the Navy shall carry out a program to demonstrate expanded use of multitechnology automated reader cards throughout the Navy and the Marine Corps. The demonstration program shall include demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load/off load program of the Navy.

(b) PERIOD OF PROGRAM.—The Secretary shall carry out the demonstration program for two years beginning not later than January 1, 1998.

(c) REPORT.—Not later than 90 days after termination of the demonstration program, the Secretary shall submit to Congress a report on the results of the program.

(d) FUNDING.—Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, $36,000,000 shall be available for the demonstration program under this section, of which $6,300,000 shall be available for demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load/off load program of the Navy.

SEC. 394. REDUCTION IN OVERHEAD COSTS OF INVENTORY CONTROL POINTS.

(a) REPORT AND PLAN REQUIRED.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to reduce overhead costs of the supply management activities of the Defense Logistics Agency and the military departments (known as Inventory Control Points) so that the overhead costs for each fiscal year after fiscal year 2000 do not exceed eight percent of net sales at standard price by Inventory Control Points during that year.

(b) ADDITIONAL REPORT REQUIREMENT.—In addition to the plan, the report shall include the following:

(1) An identification of inherently governmental, core and noncore functions in Inventory Control Points and Distribution Depots.

(2) A description of efforts, other than prime vendor and virtual prime vendor, underway or proposed to improve the efficiency, incentives, and accountability in Department of Defense supply, inventory and warehousing services and rates.

(3) An identification and description of the benchmarks established in the warehousing, distribution, and supply functions of the Department and the relationship of the benchmarks to performance measurement methods used in the private sector.

(4) A description of the outcome-oriented performance measures that are currently being used to evaluate Inventory Control Points and Distribution Depots.

(5) A specification of any legislative, regulatory, or operational impediments to achieving the requirement in subsection (a) and implementing best business practices in the warehousing, distribution, and supply functions of the Department.

(c) DEFINITIONS.—For purposes of this section:

(1) The term ''overhead costs'' means the total expenses of the Inventory Control Points, excluding—

(A) annual materiel costs; and

(B) military and civilian personnel related costs, defined as personnel compensation and benefits under the March 1996 Department of Defense Financial Management Regulations, Volume 2A, Chapter 1, Budget Account Title File (Object Classification Name/Code), object classifications 200, 211, 220, 221, 222, and 301.

(2) The term ''net sales at standard price'' has the meaning given that term in the March 1996 Department of Defense Financial Management Regulations, Volume 2B, Chapter 9, and displayed in ''Exhibit Fund—14 Revenue and Expenses'' for the supply management business areas.

SEC. 395. INVENTORY MANAGEMENT.

(a) DEVELOPMENT AND SUBMISSION OF SCHEDULE.—Not later than 180 days after the date of the enactment of this Act, the Director of the Defense Logistics Agency shall develop and submit to Congress a schedule for implementing within the agency, for the supplies and equipment described in subsection (b), inventory practices identified by the Director as being the best commercial inventory practices for the acquisition and distribution of such supplies and equipment consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than three years after date of the enactment of this Act.

(b) COVERED SUPPLIES AND EQUIPMENT.—Subsection (a) shall apply to the following types of supplies and equipment for the Department of Defense:

(1) Medical and pharmaceutical.

(2) Subsistence.

(3) Clothing and textiles.

(4) Commercially available electronics.

(5) Construction.

(6) Industrial.

(7) Automotive.

(8) Fuel.

(9) Facilities maintenance.

(c) DEFINITION.—For purposes of this section, the term ''best commercial inventory practice''

includes a so-called prime vendor arrangement and any other practice that the Director determines will enable the Defense Logistics Agency to reduce inventory levels and holding costs while improving the responsiveness of the supply system to user needs.

(d) REPORT ON EXPANSION OF COVERED SUPPLIES AND EQUIPMENT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report evaluating the feasibility of expanding the list of covered supplies and equipment under subsection (b) to include repairable items.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Permanent end strength levels to support two major regional contingencies.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians (dual status).

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1998, as follows:

(1) The Army, 495,000.
(2) The Navy, 390,802.
(3) The Marine Corps, 174,000.
(4) The Air Force, 371,577.

SEC. 402. PERMANENT END STRENGTH LEVELS TO SUPPORT TWO MAJOR REGIONAL CONTINGENCIES.

(a) CHANGE IN PERMANENT END STRENGTHS.—Subsection (b) of section 691 of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out ''395,000'' and inserting in lieu thereof ''390,802''; and

(2) in paragraph (4), by striking out ''381,000'' and inserting in lieu thereof ''371,577''.

(b) INCREASED FLEXIBILITY FOR THE ARMY.—Subsection (e) of such section is amended by inserting ''or, in the case of the Army, by not more than 1.5 percent'' before the period at the end.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1998, as follows:

(1) The Army National Guard of the United States, 361,516.
(2) The Army Reserve, 208,000.
(3) The Naval Reserve, 94,294.
(4) The Marine Corps Reserve, 42,000.
(5) The Air National Guard of the United States, 108,002.
(6) The Air Force Reserve, 73,447.
(7) The Coast Guard Reserve, 8,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1998, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 22,310.
(2) The Army Reserve, 11,500.
(3) The Naval Reserve, 16,136.
(4) The Marine Corps Reserve, 2,559.
(5) The Air National Guard of the United States, 10,671.
(6) The Air Force Reserve, 867.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

(a) AUTHORIZATION FOR FISCAL YEAR 1998.—The minimum number of military technicians (dual status) as of the last day of fiscal year 1998 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 5,503.
(2) For the Army National Guard of the United States, 23,125.
(3) For the Air Force Reserve, 9,802.
(4) For the Air National Guard of the United States, 22,853.

(b) REQUESTS FOR FUTURE FISCAL YEARS.—Section 115(g) of title 10, United States Code, is amended by adding at the end the following new sentence: ''In each budget submitted by the President to Congress under section 1105 of title 31, the end strength requested for military technicians (dual status) for each reserve component of the Army and Air Force shall be specifically set forth.''.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1998 a total of $69,470,505,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1998.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Limitation on number of general and flag officers who may serve in positions outside their own service.
Sec. 502. Exclusion of certain retired officers from limitation on period of recall to active duty.
Sec. 503. Clarification of officers eligible for consideration by promotion boards.
Sec. 504. Authority to defer mandatory retirement for age of officers serving as chaplains.
Sec. 505. Increase in number of officers allowed to be frocked to grades of colonel and Navy captain.
Sec. 506. Increased years of commissioned service for mandatory retirement of regular generals and admirals in grades above major general and rear admiral.
Sec. 507. Uniform policy for requirement of exemplary conduct by commanding officers and others in authority.
Sec. 508. Report on the command selection process for District Engineers of the Army Corps of Engineers.

Subtitle B—Reserve Component Matters

Sec. 511. Individual Ready Reserve activation authority.
Sec. 512. Termination of Mobilization Income Insurance Program.
Sec. 513. Correction of inequities in medical and dental care and death and disability benefits for reserve members who incur or aggravate an illness in the line of duty.
Sec. 514. Authority to permit non-unit assigned officers to be considered by vacancy promotion board to general officer grades.
Sec. 515. Prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.
Sec. 516. Involuntary separation of reserve officers in an inactive status.
Sec. 517. Federal status of service by National Guard members as honor guards at funerals of veterans.

Subtitle C—Military Technicians

Sec. 521. Authority to retain on the reserve active-status list until age 60 military technicians in the grade of brigadier general.
Sec. 522. Military technicians (dual status).
Sec. 523. Non-dual status military technicians.
Sec. 524. Report on feasibility and desirability of conversion of AGR personnel to military technicians (dual status).

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

Sec. 531. Reform of military recruiting systems.
Sec. 532. Improvements in medical prescreening of applicants for military service.
Sec. 533. Improvements in physical fitness of recruits.

Subtitle E—Military Education and Training

PART I—OFFICER EDUCATION PROGRAMS

Sec. 541. Requirement for candidates for admission to United States Naval Academy to take oath of allegiance.
Sec. 542. Service academy foreign exchange program.
Sec. 543. Reimbursement of expenses incurred for instruction at service academies of persons from foreign countries.
Sec. 544. Continuation of support to senior military colleges.
Sec. 545. Report on making United States nationals eligible for participation in Senior Reserve Officers' Training Corps.
Sec. 546. Coordination of establishment and maintenance of Junior Reserve Officers' Training Corps units to maximize enrollment and enhance efficiency.

PART II—OTHER EDUCATION MATTERS

Sec. 551. United States Naval Postgraduate School.
Sec. 552. Community College of the Air Force.
Sec. 553. Preservation of entitlement to educational assistance of members of the Selected Reserve serving on active duty in support of a contingency operation.

PART III—TRAINING OF ARMY DRILL SERGEANTS

Sec. 556. Reform of Army drill sergeant selection and training process.
Sec. 557. Training in human relations matters for Army drill sergeant trainees.

Subtitle F—Commission on Military Training and Gender-Related Issues

Sec. 561. Establishment and composition of Commission.
Sec. 562. Duties.
Sec. 563. Administrative matters.
Sec. 564. Termination of Commission.
Sec. 565. Funding.
Sec. 566. Subsequent consideration by Congress.

Subtitle G—Military Decorations and Awards

Sec. 571. Purple Heart to be awarded only to members of the Armed Forces.
Sec. 572. Eligibility for Armed Forces Expeditionary Medal for participation in Operation Joint Endeavor or Operation Joint Guard.
Sec. 573. Waiver of time limitations for award of certain decorations to specified persons.
Sec. 574. Clarification of eligibility of members of Ready Reserve for award of service medal for heroism.
Sec. 575. One-year extension of period for receipt of recommendations for decorations and awards for certain military intelligence personnel.
Sec. 576. Eligibility of certain World War II military organizations for award of unit decorations.
Sec. 577. Retroactivity of Medal of Honor special pension.

Subtitle H—Military Justice Matters

Sec. 581. Establishment of sentence of confinement for life without eligibility for parole.
Sec. 582. Limitation on appeal of denial of parole for offenders serving life sentence.

Subtitle I—Other Matters

Sec. 591. Sexual harassment investigations and reports.
Sec. 592. Sense of the Senate regarding study of matters relating to gender equity in the Armed Forces.
Sec. 593. Authority for personnel to participate in management of certain non-Federal entities.
Sec. 594. Treatment of participation of members in Department of Defense civil military programs.
Sec. 595. Comptroller General study of Department of Defense civil military programs.
Sec. 596. Establishment of public affairs specialty in the Army.
Sec. 597. Grade of defense attaché in France.
Sec. 598. Report on crew requirements of WC–130J aircraft.
Sec. 599. Improvement of missing persons authorities applicable to Department of Defense.

Subtitle A—Officer Personnel Policy

SEC. 501. LIMITATION ON NUMBER OF GENERAL AND FLAG OFFICERS WHO MAY SERVE IN POSITIONS OUTSIDE THEIR OWN SERVICE.

(a) IN GENERAL.—Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service

''(a) LIMITATION.—An officer described in subsection (b) may not be appointed, assigned, or detailed for a period in excess of 180 days to a position external to that officer's armed force if, immediately following such appointment, assignment, or detail, the number of officers described in subsection (b) serving in positions external to such officers' armed force would be in excess of 26.5 percent of the total number of the officers described in subsection (b).

''(b) COVERED OFFICERS.—The officers covered by subsection (a), and to be counted for the purposes of the limitation in that subsection, are the following:

''(1) Any general or flag officer counted for purposes of section 526(a) of this title.

''(2) Any general or flag officer serving in a joint duty assignment position designated by the Chairman of the Joint Chiefs of Staff under section 526(b) of this title.

''(3) Any colonel or Navy captain counted for purposes of section 777(d)(1) of this title.

''(c) EXTERNAL POSITIONS.—For purposes of this section, the following positions shall be considered to be external to an officer's armed force:

''(1) Any position (including a position in joint education) that is a joint duty assignment for purposes of chapter 38 of this title.

''(2) Any position in the Office of the Secretary of Defense, a Defense Agency, or a Department of Defense Field Activity.

''(3) Any position in the Joint Chiefs of Staff, the Joint Staff, or the headquarters of a combatant command (as defined in chapter 6 of this title).

''(4) Any position in the National Guard Bureau.

''(5) Any position outside the Department of Defense, including any position in the headquarters of the North Atlantic Treaty Organization or any other international military command, any combined or multinational command, or military mission.

''(d) TREATMENT OF OFFICERS HOLDING MULTIPLE POSITIONS.—(1) If an officer described in subsection (b) simultaneously holds both a position external to that officer's armed force and another position not external to that officer's armed force, the Secretary of Defense shall determine whether that officer shall be counted for the purposes of this section.

''(2) The Secretary of Defense shall submit to Congress an annual report on the number of officers to whom paragraph (1) was applicable during the year covered by the report. The report shall set forth the determination made by the Secretary under that paragraph in each such case.

''(e) ASSIGNMENTS, ETC., FOR PERIODS IN EXCESS OF 180 DAYS.—For purposes of this section, the appointment, assignment, or detail of an officer to a position shall be considered to be for a period in excess of 180 days unless the appointment, assignment, or detail specifies that it is made for a period of 180 days or less.

''(f) WAIVER DURING PERIOD OF WAR OR NATIONAL EMERGENCY.—The President may suspend the operation of this section during any period of war or of national emergency declared by Congress or the President.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''721. General and flag officers: limitation on appointments, assignments, details, and duties outside an officer's own service.''.

SEC. 502. EXCLUSION OF CERTAIN RETIRED OFFICERS FROM LIMITATION ON PERIOD OF RECALL TO ACTIVE DUTY.

Section 688(e) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''A member''; and

(2) by adding at the end the following:

''(2) Paragraph (1) does not apply to the following officers:

''(A) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

''(B) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of active duty to which ordered.

''(C) An officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.''.

SEC. 503. CLARIFICATION OF OFFICERS ELIGIBLE FOR CONSIDERATION BY PROMOTION BOARDS.

(a) OFFICERS ON THE ACTIVE-DUTY LIST.—Section 619(d) of title 10, United States Code, is amended—

(1) by striking out ''grade—'' in the matter preceding paragraph (1) and inserting in lieu thereof ''grade any of the following officers:'';

(2) in paragraph (1)—

(A) by striking out ''an officer'' and inserting in lieu thereof ''An officer''; and

(B) by striking out ''; or'' at the end and inserting in lieu thereof a period;

(3) by redesignating paragraph (2) as paragraph (3) and in that paragraph striking out ''an officer'' and inserting in lieu thereof ''An officer''; and

(4) by inserting after paragraph (1) the following new paragraph (2):

''(2) An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under that section, in the case of such a report that has not yet been approved by the President.''.

(b) OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.—Section 14301(c) of such title is amended—

(1) by striking out ''grade—'' in the matter preceding paragraph (1) and inserting in lieu thereof ''grade any of the following officers:'';

(2) by striking out ''an officer'' in each of paragraphs (1), (2), and (3) and inserting in lieu thereof ''An officer'';

(3) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period;

(4) by striking out ''; or'' at the end of paragraph (2) and inserting in lieu thereof a period;

(5) by redesignating paragraphs (2) and (3), as so amended, as paragraphs (3) and (4), respectively, and in each such paragraph striking out ''the next higher grade'' and inserting in lieu thereof ''that grade''; and

(6) by inserting after paragraph (1) the following new paragraph (2):

''(2) An officer who is recommended for promotion to that grade in the report of an earlier selection board convened under a provision referred to in paragraph (1), in the case of such a report that has not yet been approved by the President.''.

(c) CLARIFYING AMENDMENTS.—Paragraphs (3) and (4) of section 14301(c) of such title, as redesignated and amended by subsection (b), are each amended by inserting before the period at the end the following: '', if that nomination is pending before the Senate''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to selection boards that are convened under section 611(a), 14101(a), or 14502 of title 10, United States Code, on or after that date.

SEC. 504. AUTHORITY TO DEFER MANDATORY RETIREMENT FOR AGE OF OFFICERS SERVING AS CHAPLAINS.

(a) AUTHORITY FOR DEFERRAL OF RETIREMENT FOR CHAPLAINS.—Subsection (c) of section 1251 of title 10, United States Code, is amended—

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

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2) The Secretary concerned may defer the retirement under subsection (a) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.''.

(b) AUTHORITY FOR DEFERRAL OF RETIREMENT FOR CHIEF AND DEPUTY CHIEF OF CHAPLAINS.—Such section is further amended by adding at the end the following new subsection:

''(d) The Secretary concerned may defer the retirement under subsection (a) of an officer who is the Chief of Chaplains or Deputy Chief of Chaplains of that officer's armed force. Such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.''.

(c) QUALIFICATION FOR SERVICE AS NAVY CHIEF OF CHAPLAINS OR DEPUTY CHIEF OF CHAPLAINS.—(1) Section 5142(b) of such title is amended by striking out '', who are not on the retired list,''.

(2) Section 5142a of such title is amended by striking out '', who is not on the retired list,''.

SEC. 505. INCREASE IN NUMBER OF OFFICERS ALLOWED TO BE FROCKED TO GRADES OF COLONEL AND NAVY CAPTAIN.

Section 777(d)(2) of title 10, United States Code, is amended by inserting after ''1 percent'' the following: '', or, for the grades of colonel and Navy captain, 2 percent,''.

SEC. 506. INCREASED YEARS OF COMMISSIONED SERVICE FOR MANDATORY RETIREMENT OF REGULAR GENERALS AND ADMIRALS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.

(a) YEARS OF SERVICE.—Section 636 of title 10, United States Code, is amended—

(1) by striking out ''Except as provided'' and inserting in lieu thereof ''(a) MAJOR GENERALS AND REAR ADMIRALS SERVING IN GRADE.—Except as provided in subsection (b) or (c) and''; and

(2) by adding at the end the following:

''(b) LIEUTENANT GENERALS AND VICE ADMIRALS.—In the administration of subsection (a) in the case of an officer who is serving in the grade of lieutenant general or vice admiral, the number of years of active commissioned service applicable to the officer is 38 years.

''(c) GENERALS AND ADMIRALS.—In the administration of subsection (a) in the case of an officer who is serving in the grade of general or admiral, the number of years of active commissioned service applicable to the officer is 40 years.''.

(b) SECTION HEADING.—The heading of such section is amended to read as follows:

''§ 636. Retirement for years of service: regular officers in grades above brigadier general and rear admiral (lower half)''.

(c) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of subchapter III of chapter 36 of such title is amended to read as follows:

''636. Retirement for years of service: regular officers in grades above brigadier general and rear admiral (lower half).''.

SEC. 507. UNIFORM POLICY FOR REQUIREMENT OF EXEMPLARY CONDUCT BY COMMANDING OFFICERS AND OTHERS IN AUTHORITY.

(a) ARMY.—(1) Chapter 345 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 3583. Requirement of exemplary conduct

''All commanding officers and others in authority in the Army are required—

''(1) to show in themselves a good example of virtue, honor, patriotism, and subordination;

''(2) to be vigilant in inspecting the conduct of all persons who are placed under their command;

''(3) to guard against and suppress all dissolute and immoral practices, and to correct, according to the laws and regulations of the Army, all persons who are guilty of them; and

''(4) to take all necessary and proper measures, under the laws, regulations, and customs of the Army, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.''.

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

''3583. Requirement of exemplary conduct.''.

(b) AIR FORCE.—(1) Chapter 845 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 8583. Requirement of exemplary conduct

''All commanding officers and others in authority in the Air Force are required—

''(1) to show in themselves a good example of virtue, honor, patriotism, and subordination;

''(2) to be vigilant in inspecting the conduct of all persons who are placed under their command;

''(3) to guard against and suppress all dissolute and immoral practices, and to correct, according to the laws and regulations of the Air Force, all persons who are guilty of them; and

''(4) to take all necessary and proper measures, under the laws, regulations, and customs of the Air Force, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.''.

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

''8583. Requirement of exemplary conduct.''.

SEC. 508. REPORT ON THE COMMAND SELECTION PROCESS FOR DISTRICT ENGINEERS OF THE ARMY CORPS OF ENGINEERS.

Not later than March 31, 1998, the Secretary of the Army shall submit to Congress a report on the command selection process for officers serving as District Engineers of the Corps of Engineers. The report shall include the following:

(1) An identification of each major Corps of Engineers project that—

(A) is being carried out by each District Engineer as of the date of the report; or

(B) is being planned by each District Engineer to be carried out during the five-year period beginning on the date of the report.

(2) The expected start and completion dates, during that period, for each major phase of each project identified under paragraph (1).

(3) The expected dates for changes in the District Engineer in each Corps of Engineers District during that period.

(4) A plan for optimizing the timing of changes in the District Engineer in each such District so that there is minimal disruption to major phases of major Corps of Engineers projects.

(5) A review of the effect on the Corps of Engineers, and on the mission of each District of the Corps of Engineers, of allowing major command tours of District Engineers to be of two-to-four years in duration, with the selection of the exact timing of the change of command to be at the discretion of the Chief of Engineers, who shall act with the goal of optimizing the timing of each change so that it has minimal disruption on the mission of the District Engineer.

Subtitle B—Reserve Component Matters

SEC. 511. INDIVIDUAL READY RESERVE ACTIVATION AUTHORITY.

(a) IRR MEMBERS SUBJECT TO ORDER TO ACTIVE DUTY OTHER THAN DURING WAR OR NATIONAL EMERGENCY.—Section 10144 of title 10, United States Code, is amended—

(1) by inserting ''(a)'' before ''Within the Ready Reserve''; and

(2) by adding at the end the following new subsection:

''(b)(1) Within the Individual Ready Reserve of each reserve component there is a category of members, as designated by the Secretary concerned, who are subject to being ordered to active duty involuntarily in accordance with section 12304 of this title. A member may not be placed in that mobilization category unless—

''(A) the member volunteers for that category; and

''(B) the member is selected for that category by the Secretary concerned, based upon the needs of the service and the grade and military skills of that member.

''(2) A member of the Individual Ready Reserve may not be carried in such mobilization category of members after the end of the 24-month period beginning on the date of the separation of the member from active service.

''(3) The Secretary shall designate the grades and military skills or specialities of members to be eligible for placement in such mobilization category.

''(4) A member in such mobilization category shall be eligible for benefits (other than pay and training) as are normally available to members of the Selected Reserve, as determined by the Secretary of Defense.''.

(b) CRITERIA FOR ORDERING TO ACTIVE DUTY.—Subsection (a) of section 12304 of title 10, United States Code, is amended by inserting after ''of this title),'' the following: ''or any member in the Individual Ready Reserve mobilization category and designated as essential under regulations prescribed by the Secretary concerned,''.

(c) MAXIMUM NUMBER.—Subsection (c) of such section is amended—

(1) by inserting ''and the Individual Ready Reserve'' after ''Selected Reserve''; and

(2) by inserting '', of whom not more than 30,000 may be members of the Individual Ready Reserve'' before the period at the end.

(d) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (f), by inserting ''or Individual Ready Reserve'' after ''Selected Reserve'';

(2) in subsection (g), by inserting '', or any member of the Individual Ready Reserve,'' after ''to serve as a unit''; and

(3) by adding at the end the following new subsection:

''(i) For purposes of this section, the term 'Individual Ready Reserve mobilization category' means, in the case of any reserve component, the category of the Individual Ready Reserve described in section 10144(b) of this title.''.

(e) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency''.

(2) The item relating to section 12304 in the table of sections at the beginning of chapter 1209 of such title is amended to read as follows:

''12304. Selected Reserve and certain Individual Ready Reserve members; order to active duty other than during war or national emergency.''.

SEC. 512. TERMINATION OF MOBILIZATION INCOME INSURANCE PROGRAM.

(a) IN GENERAL.—Chapter 1214 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 12533. Termination of program

''(a) IN GENERAL.—The Secretary shall terminate the insurance program in accordance with this section.

''(b) TERMINATION OF NEW ENROLLMENTS.—The Secretary may not enroll a member of the Ready Reserve for coverage under the insurance program after the date of the enactment of this section.

''(c) TERMINATION OF COVERAGE.—(1) The enrollment under the insurance program of insured members other than insured members described in paragraph (2) is terminated as of the date of the enactment of this section. The enrollment of an insured member described in paragraph (2) is terminated as of the date of the termination of the period of covered service of that member described in that paragraph.

''(2) An insured member described in this paragraph is an insured member who on the date of the enactment of this section is serving on covered service for a period of service, or has been issued an order directing the performance of covered service, that satisfies or would satisfy the entitlement-to-benefits provisions of this chapter.

''(d) TERMINATION OF PAYMENT OF BENEFITS.—The Secretary may not make any benefit payment under the insurance program after the date of the enactment of this section other than to an insured member who on that date (1) is serving on an order to covered service, (2) has been issued an order directing performance of covered service, or (3) has served on covered service before that date for which benefits under the program have not been paid to the member.

''(e) TERMINATION OF INSURANCE FUND.—The Secretary shall close the Fund not later than 60 days after the date on which the last benefit

payment from the Fund is made. Any amount remaining in the Fund when closed shall be covered into the Treasury as miscellaneous receipts.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''12533. Termination of program.''.

SEC. 513. CORRECTION OF INEQUITIES IN MEDICAL AND DENTAL CARE AND DEATH AND DISABILITY BENEFITS FOR RESERVE MEMBERS WHO INCUR OR AGGRAVATE AN ILLNESS IN THE LINE OF DUTY.

(a) MEDICAL AND DENTAL CARE FOR MEMBERS.—Section 1074a of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' after ''in the line of duty''; and

(2) by adding at the end the following new subsection:

''(e) A member of a uniformed service described in paragraph (1)(A) or (2)(A) of subsection (a) whose orders are modified or extended, while the member is being treated for (or recovering from) the injury, illness, or disease incurred or aggravated in the line of duty, so as to result in active duty for a period of more than 30 days shall be entitled, while the member remains on active duty, to medical and dental care on the same basis and to the same extent as members covered by section 1074(a) of this title.''.

(b) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Section 1076(a) of such title is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) A dependent referred to in paragraph (1) is a dependent of a member of a uniformed service described in one of the following subparagraphs:

''(A) A member who is on active duty for a period of more than 30 days or died while on that duty.

''(B) A member who died from an injury, illness, or disease incurred or aggravated—

''(i) while the member was on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive-duty training; or

''(ii) while the member was traveling to or from the place at which the member was to perform, or had performed, such active duty, active duty for training, or inactive-duty training.

''(C) A member who died from an injury, illness, or disease incurred or aggravated in the line of duty while the member remained overnight immediately before the commencement of inactive-duty training, or while the member remained overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site was outside reasonable commuting distance from the member's residence.

''(D) A member who incurred or aggravated an injury, illness, or disease in the line of duty while serving on active duty for a period of 30 days or less (or while traveling to or from the place of such duty) and the member's orders are modified or extended, while the member is being treated for (or recovering from) the injury, illness, or disease, so as to result in active duty for a period of more than 30 days. However, this subparagraph entitles the dependent to medical and dental care only while the member remains on active duty.''.

(c) ELIGIBILITY FOR DISABILITY RETIREMENT OR SEPARATION.—(1) Section 1204(2) of such title is amended to read as follows:

''(2) the disability—

''(A) was incurred before September 24, 1996, as the proximate result of—

''(i) performing active duty or inactive-duty training;

''(ii) traveling directly to or from the place at which such duty is performed; or

''(iii) an injury, illness, or disease incurred or aggravated while remaining overnight, immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site of the inactive-duty training is outside reasonable commuting distance of the member's residence; or

''(B) is a result of an injury, illness, or disease incurred or aggravated in line of duty after September 23, 1996—

''(i) while performing active duty or inactive-duty training;

''(ii) while traveling directly to or from the place at which such duty is performed; or

''(iii) while remaining overnight, immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site of the inactive-duty training is outside reasonable commuting distance of the member's residence;''.

(2) Section 1206 of such title is amended—

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

(B) by inserting after paragraph (1) the following new paragraph (2):

''(2) the disability is a result of an injury, illness, or disease incurred or aggravated in line of duty while—

''(A) performing active duty or inactive-duty training;

''(B) traveling directly to or from the place at which such duty is performed; or

''(C) while remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance of the member's residence;''.

(d) CONFORMING AMENDMENTS AND RELATED CLERICAL AMENDMENTS.—(1) The heading of section 1204 of title 10, United States Code, is amended to read as follows:

''§ 1204. Members on active duty for 30 days or less or on inactive-duty training: retirement''.

(2) The heading of section 1206 of such title is amended to read as follows:

''§ 1206. Members on active duty for 30 days or less or on inactive-duty training: separation''.

(3) The table of sections at the beginning of chapter 61 of such title is amended—

(A) by striking out the item relating to section 1204 and inserting in lieu thereof the following:

''1204. Members on active duty for 30 days or less or on inactive-duty training: retirement.'';

and

(B) by striking out the item relating to section 1206 and inserting in lieu thereof the following:

''1206. Members on active duty for 30 days or less or on inactive-duty training: separation.''.

(e) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2)(D) of such title is amended by inserting ''remaining overnight immediately before the commencement of inactive-duty training, or'' after ''(D)''.

(f) ENTITLEMENT TO BASIC PAY.—Section 204 of title 37, United States Code, is amended by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' in subsections (g)(1)(D) and (h)(1)(D) after ''in line of duty''.

(g) COMPENSATION FOR INACTIVE-DUTY TRAINING.—Section 206(a)(3)(C) of title 37, United States Code, is amended by inserting ''while remaining overnight immediately before the commencement of inactive-duty training, or'' after ''in line of duty''.

SEC. 514. AUTHORITY TO PERMIT NON-UNIT ASSIGNED OFFICERS TO BE CONSIDERED BY VACANCY PROMOTION BOARD TO GENERAL OFFICER GRADES.

(a) CONVENING OF SELECTION BOARDS.—Section 14101(a)(2) of title 10, United States Code, is amended by striking out ''(except in the case of a board convened to consider officers as provided in section 14301(e) of this title)''.

(b) ELIGIBILITY FOR CONSIDERATION OF CERTAIN ARMY OFFICERS.—Section 14301 of such title is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(c) GENERAL OFFICER PROMOTIONS.—Section 14308 of such title is amended—

(1) in subsection (e)(2), by inserting ''a grade below colonel in'' after ''(2) an officer in''; and

(2) in subsection (g)—

(A) by inserting ''or the Air Force'' in the first sentence after ''of the Army'' the first place it appears;

(B) by striking out ''in that grade'' in the first sentence and all that follows through ''Secretary of the Army'' and inserting in lieu thereof ''in the Army Reserve or the Air Force Reserve, as the case may be, in that grade''; and

(C) by striking out the second sentence.

(d) VACANCY PROMOTIONS.—Section 14315(b)(1) of such title is amended by striking out ''duties'' in clause (A) and all that follows through ''as a unit,'' and inserting in lieu thereof ''duties of a general officer of the next higher reserve grade in the Army Reserve,''.

SEC. 515. PROHIBITION ON USE OF AIR FORCE RESERVE AGR PERSONNEL FOR AIR FORCE BASE SECURITY FUNCTIONS.

(a) IN GENERAL.—Chapter 1215 of title 10, United States Code, is amended by striking out

''[No present sections]''

and inserting in lieu thereof the following:

''Sec.

12551. Prohibition of use of Air Force Reserve AGR personnel for Air Force base security functions.

''§ 12551. Prohibition of use of Air Force Reserve AGR personnel for Air Force base security functions

''(a) LIMITATION.—The Secretary of the Air Force may not use members of the Air Force Reserve who are AGR personnel for the performance of force protection, base security, or security police functions at an Air Force facility in the United States.

''(b) AGR PERSONNEL DEFINED.—In this section, the term 'AGR personnel' means members of the Air Force Reserve who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training the Air Force Reserve.''.

(b) CLERICAL AMENDMENT.—The items relating to chapter 1215 in the tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, are amended to read as follows:

''1215. Miscellaneous Prohibitions and Penalties ..... 12551''.

SEC. 516. INVOLUNTARY SEPARATION OF RESERVE OFFICERS IN AN INACTIVE STATUS.

(a) AUTHORITY FOR INVOLUNTARY SEPARATION OF CERTAIN INACTIVE STATUS OFFICERS.—Section 12683(b) of title 10, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking out ''apply—'' and inserting in lieu thereof ''apply to any of the following:''; and

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

''(4) a separation of an officer who is in an inactive status in the Standby Reserve and who is not qualified for transfer to the Retired Reserve or is qualified for transfer to the Retired Reserve and does not apply for such a transfer.''.

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in paragraphs (1), (2), and (3), by striking out ''to a'' and inserting in lieu thereof ''A'';

(2) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period; and

(3) by striking out ''; and'' at the end of paragraph (2) and inserting in lieu thereof a period.

SEC. 517. FEDERAL STATUS OF SERVICE BY NATIONAL GUARD MEMBERS AS HONOR GUARDS AT FUNERALS OF VETERANS.

(a) IN GENERAL.—(1) Chapter 1 of title 32, United States Code, is amended by adding after section 113, as added by section 386(a), the following new section:

''§ 114. Honor guard functions at funerals for veterans

''(a) Subject to such regulations and restrictions as may be prescribed by the Secretary concerned, the performance of honor guard functions by members of the National Guard at funerals for veterans of the armed forces may be treated by the Secretary concerned as a Federal function for which appropriated funds may be used. Any such performance of honor guard functions at such a funeral may not be considered to be a period of drill or training otherwise required.

''(b) This section does not authorize additional appropriations for any fiscal year. Any expense of the National Guard that is incurred by reason of this section shall be paid from appropriations otherwise available for the National Guard.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 113, as added by section 386(b), the following new item:

''114. Honor guard functions at funerals for veterans.''.

Subtitle C—Military Technicians

SEC. 521. AUTHORITY TO RETAIN ON THE RESERVE ACTIVE-STATUS LIST UNTIL AGE 60 MILITARY TECHNICIANS IN THE GRADE OF BRIGADIER GENERAL.

(a) RETENTION.—Section 14702(a) of title 10, United States Code, is amended—

(1) by striking out ''section 14506 or 14507'' and inserting in lieu thereof ''section 14506, 14507, or 14508''; and

(2) by striking out ''or colonel'' and inserting in lieu thereof ''colonel, or brigadier general''.

(b) TECHNICAL AMENDMENT.—Section 14508(c) of such title is amended by striking out ''not later than the date on which the officer becomes 60 years of age'' and inserting in lieu thereof ''not later than the last day of the month in which the officer becomes 60 years of age''.

SEC. 522. MILITARY TECHNICIANS (DUAL STATUS).

(a) DEFINITION.—Subsection (a) of section 10216 of title 10, United States Code, is amended to read as follows:

''(a) IN GENERAL.—(1) For purposes of this section and any other provision of law, a military technician (dual status) is a Federal civilian employee who—

''(A) is employed under section 3101 of title 5 or section 709 of title 32;

''(B) is required as a condition of that employment to maintain membership in the Selected Reserve; and

''(C) is assigned to a position as a technician in the administration and training of the Selected Reserve or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces.

''(2) Military technicians (dual status) shall be authorized and accounted for as a separate category of civilian employees.''.

(b) UNIT MEMBERSHIP AND DUAL STATUS REQUIREMENT.—Such section is further amended by striking out subsection (d) and inserting in lieu thereof the following:

''(d) UNIT MEMBERSHIP REQUIREMENT.—(1) Unless specifically exempted by law, each individual who is hired as a military technician (dual status) after December 1, 1995, shall be required as a condition of that employment to maintain membership in—

''(A) the unit of the Selected Reserve by which the individual is employed as a military technician; or

''(B) a unit of the Selected Reserve that the individual is employed as a military technician to support.

''(2) Paragraph (1) does not apply to a military technician (dual status) who is employed by the Army Reserve in an area other than Army Reserve troop program units.

''(e) DUAL STATUS REQUIREMENT.—(1) Funds appropriated for the Department of Defense may not (except as provided in paragraph (2)) be used for compensation as a military technician of any individual hired as a military technician after February 10, 1996, who is no longer a member of the Selected Reserve.

''(2) The Secretary concerned may pay compensation described in paragraph (1) to an individual described in that paragraph who is no longer a member of the Selected Reserve for a period not to exceed six months following the individual's loss of membership in the Selected Reserve if the Secretary determines that such loss of membership was not due to the failure of that individual to meet military standards.''.

(c) NATIONAL GUARD DUAL STATUS REQUIREMENT.—Section 709(b) of title 32, United States Code, is amended by striking out ''Except as prescribed by the Secretary concerned, a technician'' and inserting in lieu thereof ''A technician''.

(d) PLAN FOR CLARIFICATION OF STATUTORY AUTHORITY OF MILITARY TECHNICIANS.—(1) The Secretary of Defense shall submit to Congress, as part of the budget justification materials submitted in support of the budget for the Department of Defense for fiscal year 1999, a legislative proposal to provide statutory authority and clarification under title 5, United States Code—

(A) for the hiring, management, promotion, separation, and retirement of military technicians who are employed in support of units of the Army Reserve or Air Force Reserve; and

(B) for the transition to the competitive service of an individual who is hired as a military technician in support of a unit of the Army Reserve or Air Force Reserve and who (as determined by the Secretary concerned) fails to maintain membership in the Selected Reserve through no fault of the individual.

(2) The legislative proposal under paragraph (1) shall be developed in consultation with the Director of the Office of Personnel Management.

(e) CONFORMING REPEAL.—Section 8016 of Public Law 104–61 (109 Stat. 654; 10 U.S.C. 10101 note) is repealed.

(f) CROSS-REFERENCE CORRECTIONS.—Section 10216(c)(1) of title 10, United States Code, is amended by striking out ''subsection (a)(1)'' in subparagraphs (A), (B), (C), and (D) and inserting in lieu thereof ''subsection (b)(1)''.

(g) CONFORMING AMENDMENTS TO SECTION 10216.—Section 10216 of title 10, United States Code, is further amended as follows:

(1) The heading of subsection (b) is amended by inserting ''(DUAL STATUS)'' after ''MILITARY TECHNICIANS''.

(2) Subsection (b)(1) is amended—

(A) by inserting ''(dual status)'' after ''for military technicians'';

(B) by striking out ''dual status military technicians'' and inserting in lieu thereof ''military technicians (dual status)''; and

(C) by inserting ''(dual status)'' after ''military technicians'' in subparagraph (C).

(3) Subsection (b)(2) is amended by inserting ''(dual status)'' after ''military technicians'' both places it appears.

(4) Subsection (b)(3) is amended by inserting ''(dual status)'' after ''Military technician''.

(5) Subsection (c) is amended—

(A) in the matter preceding paragraph (1)(A), by inserting ''(dual status)'' after ''military technicians'';

(B) in paragraph (1), by striking out ''dual-status technicians'' in subparagraphs (A), (B), (C), and (D) and inserting in lieu thereof ''military technicians (dual status)'';

(C) in paragraph (2)(A), by inserting ''(dual status)'' after ''military technician''; and

(D) in paragraph (2)(B), by striking out ''delineate—'' and all that follows through ''or other reasons'' in clause (ii) and inserting in lieu thereof ''delineate the specific force structure reductions''.

(h) CLERICAL AMENDMENTS.—(1) The heading of section 10216 of such title is amended to read as follows:

''§ 10216. Military technicians (dual status)''.

(2) The item relating to such section in the table of sections at the beginning of chapter 1007 of such title is amended to read as follows:

''10216. Military technicians (dual status).''.

(i) OTHER CONFORMING AMENDMENTS.—(1) Section 115(g) of such title is amended by inserting ''(dual status)'' in the first sentence after ''military technicians'' and in the second sentence after ''military technician''.

(2) Section 115a(h) of such title is amended—

(A) by inserting ''(displayed in the aggregate and separately for military technicians (dual status) and non-dual status military technicians)'' in the matter preceding paragraph (1) after ''of the following''; and

(B) by striking out paragraph (3).

SEC. 523. NON-DUAL STATUS MILITARY TECHNICIANS.

(a) IN GENERAL.—(1) Chapter 1007 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 10217. Non-dual status military technicians

''(a) DEFINITION.—For the purposes of this section and any other provision of law, a non-dual status military technician is a civilian employee of the Department of Defense serving in a military technician position who—

''(1) was hired as a military technician before the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under any of the authorities specified in subsection (c); and

''(2) as of the date of the enactment of that Act is not a member of the Selected Reserve or after such date ceased to be a member of the Selected Reserve.

''(b) EMPLOYMENT AUTHORITIES.—The authorities referred to in subsection (a) are the following:

''(1) Section 10216 of this title.

''(2) Section 709 of title 32.

''(3) The requirements referred to in section 8401 of title 5.

''(4) Section 8016 of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 654), and any comparable provision of law enacted on an annual basis in the Department of Defense Appropriations Acts for fiscal years 1984 through 1995.

''(5) Any memorandum of agreement between the Department of Defense and the Office of Personnel Management providing for the hiring of military technicians.''.

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

''10217. Non-dual status military technicians.''.

(b) LIMITATION.—The number of civilian employees of a military department who are non-dual status military technicians as of September 30, 1998, may not exceed the following:

(1) For the Army Reserve, 1,500.

(2) For the Army National Guard of the United States, 2,400.

(3) For the Air Force Reserve, 0.

(4) For the Air National Guard of the United States, 450.

(c) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the number of military

technician positions that are held by non-dual status military technicians as of September 30, 1997, shown separately for each of the following:

(1) The Army Reserve.

(2) The Army National Guard of the United States.

(3) The Air Force Reserve.

(4) The Air National Guard of the United States.

(d) PLAN FOR FULL UTILIZATION OF MILITARY TECHNICIANS (DUAL STATUS).—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for ensuring that, on and after September 30, 2007, all military technician positions are held only by military technicians (dual status).

(2) The plan shall provide for achieving, by September 30, 2002, a 50 percent reduction, by conversion of positions or otherwise, in the number of non-dual status military technicians that are holding military technicians positions, as compared with the number of non-dual status technicians that held military technician positions as of September 30, 1997, as specified in the report under subsection (c).

(3) Among the alternative actions to be considered in developing the plan, the Secretary shall consider the feasibility and cost of each of the following:

(A) Eliminating or consolidating technician functions and positions.

(B) Contracting with private sector sources for the performance of functions performed by military technicians.

(C) Converting non-dual status military technician positions to military technician (dual status) positions or to positions in the competitive service or, in the case of positions of the Army National Guard of the United States or the Air National Guard of the United States, to positions of State employment.

(D) Use of incentives to facilitate attainment of the objectives specified for the plan in paragraphs (1) and (2).

(4) The Secretary shall submit with the plan any recommendations for legislation that the Secretary considers necessary to carry out the plan.

(e) DEFINITIONS FOR CATEGORIES OF MILITARY TECHNICIANS.—In this section:

(1) The term ''non-dual status military technician'' has the meaning given that term in section 10217 of title 10, United States Code, as added by subsection (a).

(2) The term ''military technician (dual status)'' has the meaning given the term in section 10216(a) of such title.

SEC. 524. REPORT ON FEASIBILITY AND DESIRABILITY OF CONVERSION OF AGR PERSONNEL TO MILITARY TECHNICIANS (DUAL STATUS).

(a) REPORT REQUIRED.—Not later than January 1, 1998, the Secretary of Defense shall submit to Congress a report on the feasibility and desirability of conversion of AGR personnel to military technicians (dual status). The report shall—

(1) identify advantages and disadvantages of such a conversion;

(2) identify possible savings if such a conversion were to be carried out; and

(3) set forth the recommendation of the Secretary as to whether such a conversion should be made.

(b) AGR PERSONNEL DEFINED.—For purposes of subsection (a), the term ''AGR personnel'' means members of the Army or Air Force reserve components who are on active duty (other than for training) in connection with organizing, administering, recruiting, instructing, or training their respective reserve components.

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

SEC. 531. REFORM OF MILITARY RECRUITING SYSTEMS.

(a) IN GENERAL.—The Secretary of Defense shall carry out reforms in the recruiting systems of the Army, Navy, Air Force, and Marine Corps in order to improve the quality of new recruits and to reduce attrition among recruits.

(b) SPECIFIC REFORMS.—As part of the reforms in military recruiting systems to be undertaken under subsection (a), the Secretary shall take the following steps:

(1) Improve the system of pre-enlistment waivers and separation codes used for recruits by (A) revising and updating those waivers and codes to allow more accurate and useful data collection about those separations, and (B) prescribing regulations to ensure that those waivers and codes are interpreted in a uniform manner by the military services.

(2) Develop a reliable database for (A) analyzing (at both the Department of Defense and service-level) data on reasons for attrition of new recruits, and (B) undertaking Department of Defense or service-specific measures (or both) to control and manage such attrition.

(3) Require that the Secretary of each military department (A) adopt or strengthen incentives for recruiters to thoroughly prescreen potential candidates for recruitment, and (B) link incentives for recruiters, in part, to the ability of a recruiter to screen out unqualified candidates before enlistment.

(4) Require that the Secretary of each military department include as a measurement of recruiter performance the percentage of persons enlisted by a recruiter who complete initial combat training or basic training.

(5) Assess trends in the number and use of waivers over the 1991–1997 period that were issued to permit applicants to enlist with medical or other conditions that would otherwise be disqualifying.

(6) Require the Secretary of each military department to implement policies and procedures (A) to ensure the prompt separation of recruits who are unable to successfully complete basic training, and (B) to remove those recruits from the training environment while separation proceedings are pending.

(c) REPORT.—Not later than March 31, 1998, the Secretary shall submit to Congress a report of the trends assessed under subsection (b)(5). The information on those trends provided in the report shall be shown by armed force and by category of waiver. The report shall include recommendations of the Secretary for changing, revising, or limiting the use of waivers referred to in that subsection.

SEC. 532. IMPROVEMENTS IN MEDICAL PRESCREENING OF APPLICANTS FOR MILITARY SERVICE.

(a) IN GENERAL.—The Secretary of Defense shall improve the medical prescreening of applicants for entrance into the Army, Navy, Air Force, or Marine Corps.

(b) SPECIFIC STEPS.—As part of those improvements, the Secretary shall take the following steps:

(1) Require that each applicant for service in the Army, Navy, Air Force, or Marine Corps (A) provide to the Secretary the name of the applicant's medical insurer and the names of past medical providers, and (B) sign a release allowing the Secretary to request and obtain medical records of the applicant.

(2) Require that the forms and procedures for medical prescreening of applicants that are used by recruiters and by Military Entrance Processing Commands be revised so as to ensure that medical questions are specific, unambiguous, and tied directly to the types of medical separations most common for recruits during basic training and follow-on training.

(3) Add medical screening tests to the examinations of recruits carried out by Military Entrance Processing Stations, provide more thorough medical examinations to selected groups of applicants, or both, to the extent that the Secretary determines that to do so could be cost effective in reducing attrition at basic training.

(4) Provide for an annual quality control assessment of the effectiveness of the Military Entrance Processing Commands in identifying medical conditions in recruits that existed before enlistment in the Armed Forces, each such assessment to be performed by an agency or contractor other than the Military Entrance Processing Commands.

SEC. 533. IMPROVEMENTS IN PHYSICAL FITNESS OF RECRUITS.

(a) IN GENERAL.—The Secretary of Defense shall take steps to improve the physical fitness of recruits before they enter basic training.

(b) SPECIFIC STEPS.—As part of those improvements, the Secretary shall take the following steps:

(1) Direct the Secretary of each military department to implement programs under which new recruits who are in the Delayed Entry Program are encouraged to participate in physical fitness activities before reporting to basic training.

(2) Develop a range of incentives for new recruits to participate in physical fitness programs, as well as for those recruits who improve their level of fitness while in the Delayed Entry Program, which may include access to Department of Defense military fitness facilities, and access to military medical facilities in the case of a recruit who is injured while participating in physical activities with recruiters or other military personnel.

(3) Evaluate whether partnerships between recruiters and reserve components, or other innovative arrangements, could provide a pool of qualified personnel to assist in the conduct of physical training programs for new recruits in the Delayed Entry Program.

Subtitle E—Military Education and Training

PART I—OFFICER EDUCATION PROGRAMS

SEC. 541. REQUIREMENT FOR CANDIDATES FOR ADMISSION TO UNITED STATES NAVAL ACADEMY TO TAKE OATH OF ALLEGIANCE.

(a) REQUIREMENT.—Section 6958 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) To be admitted to the Naval Academy, an appointee must take and subscribe to an oath prescribed by the Secretary of the Navy. If a candidate for admission refuses to take and subscribe to the prescribed oath, the candidate's appointment is terminated.''.

(b) EXCEPTION FOR MIDSHIPMEN FROM FOREIGN COUNTRIES.—Section 6957 of such title is amended by adding at the end the following new subsection:

''(d) A person receiving instruction under this section is not subject to section 6958(d) of this title.''.

SEC. 542. SERVICE ACADEMY FOREIGN EXCHANGE PROGRAM.

(a) UNITED STATES MILITARY ACADEMY.—(1) Chapter 403 of title 10, United States Code, is amended by inserting after section 4344 the following new section:

''§4345. Exchange program with foreign military academies

''(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Army may permit a student enrolled at a military academy of a foreign country to receive instruction at the Academy in exchange for a cadet receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 4344 of this title.

''(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 cadets and a comparable number of students from all foreign military academies participating in the exchange program

may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Academy.

''(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of a cadet by reason of attendance at the Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

''(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged cadet in that foreign country.

''(3) The Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

''(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 4344 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Academy under the exchange program.

''(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4344 the following new item:

''4345. Exchange program with foreign military academies.''.

(b) NAVAL ACADEMY.—(1) Chapter 603 of title 10, United States Code, is amended by inserting after section 6957 the following new section:

''§ 6957a. Exchange program with foreign military academies

''(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Navy may permit a student enrolled at a military academy of a foreign country to receive instruction at the Naval Academy in exchange for a midshipman receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Naval Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 6957 of this title.

''(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 midshipmen and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Naval Academy.

''(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of a midshipman by reason of attendance at the Naval Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

''(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged midshipman in that foreign country.

''(3) The Naval Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

''(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 6957 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Naval Academy under the exchange program.

''(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6957 the following new item:

''6957a. Exchange program with foreign military academies.''.

(c) AIR FORCE ACADEMY.—(1) Chapter 903 of title 10, United States Code, is amended by inserting after section 9344 the following new section:

''§ 9345. Exchange program with foreign military academies

''(a) EXCHANGE PROGRAM AUTHORIZED.—The Secretary of the Air Force may permit a student enrolled at a military academy of a foreign country to receive instruction at the Air Force Academy in exchange for an Air Force cadet receiving instruction at that foreign military academy pursuant to an exchange agreement entered into between the Secretary and appropriate officials of the foreign country. Students receiving instruction at the Academy under the exchange program shall be in addition to persons receiving instruction at the Academy under section 9344 of this title.

''(b) LIMITATIONS ON NUMBER AND DURATION OF EXCHANGES.—An exchange agreement under this section between the Secretary and a foreign country shall provide for the exchange of students on a one-for-one basis each fiscal year. Not more than 10 Air Force cadets and a comparable number of students from all foreign military academies participating in the exchange program may be exchanged during any fiscal year. The duration of an exchange may not exceed the equivalent of one academic semester at the Air Force Academy.

''(c) COSTS AND EXPENSES.—(1) A student from a military academy of a foreign country is not entitled to the pay, allowances, and emoluments of an Air Force cadet by reason of attendance at the Air Force Academy under the exchange program, and the Department of Defense may not incur any cost of international travel required for transportation of such a student to and from the sponsoring foreign country.

''(2) The Secretary may provide a student from a foreign country under the exchange program, during the period of the exchange, with subsistence, transportation within the continental United States, clothing, health care, and other services to the same extent that the foreign country provides comparable support and services to the exchanged Air Force cadet in that foreign country.

''(3) The Air Force Academy shall bear all costs of the exchange program from funds appropriated for the Academy. Expenditures in support of the exchange program may not exceed $50,000 during any fiscal year.

''(d) APPLICATION OF OTHER LAWS.—Subsections (c) and (d) of section 9344 of this title shall apply with respect to a student enrolled at a military academy of a foreign country while attending the Air Force Academy under the exchange program.

''(e) REGULATIONS.—The Secretary shall prescribe regulations to implement this section. Such regulations may include qualification criteria and methods of selection for students of foreign military academies to participate in the exchange program.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9344 the following new item:

''9345. Exchange program with foreign military academies.''.

(d) REPEAL OF OBSOLETE LIMITATION.—Section 9353(a) of such title is amended by striking out ''After the date of the accrediting of the Academy, the'' and inserting in lieu thereof ''The''.

SEC. 543. REIMBURSEMENT OF EXPENSES INCURRED FOR INSTRUCTION AT SERVICE ACADEMIES OF PERSONS FROM FOREIGN COUNTRIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4344(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: '', except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States.''; and

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

''(3) The amount of reimbursement waived under paragraph (2) may not exceed 35 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.''.

(b) NAVAL ACADEMY.—Section 6957(b) of such title is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: '', except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a midshipman appointed from the United States.''; and

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

''(3) The amount of reimbursement waived under paragraph (2) may not exceed 35 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Naval Academy under this section at any one time.''.

(c) AIR FORCE ACADEMY.—Section 9344(b) of such title is amended—

(1) in paragraph (2), by striking out the period at the end and inserting in lieu thereof the following: '', except that the reimbursement rates may not be less than the cost to the United States of providing such instruction, including pay, allowances, and emoluments, to a cadet appointed from the United States.''; and

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

''(3) The amount of reimbursement waived under paragraph (2) may not exceed 35 percent of the per-person reimbursement amount otherwise required to be paid by a foreign country under such paragraph, except in the case of not more than five persons receiving instruction at the Academy under this section at any one time.''.

(d) EFFECTIVE DATE.—The amendments made by this section apply with respect to students from a foreign country entering the United States Military Academy, the United States Naval Academy, or the United States Air Force Academy on or after May 1, 1998.

SEC. 544. CONTINUATION OF SUPPORT TO SENIOR MILITARY COLLEGES.

(a) DEFINITION OF SENIOR MILITARY COLLEGES.—For purposes of this section, the term ''senior military colleges'' means the following:

(1) Texas A&M University.

(2) Norwich University.

(3) The Virginia Military Institute.

(4) The Citadel.

(5) Virginia Polytechnic Institute and State University.

(6) North Georgia College and State University.

(b) FINDINGS.—Congress finds the following:

(1) The senior military colleges consistently have provided substantial numbers of highly qualified, long-serving leaders to the Armed Forces.

(2) The quality of the military leaders produced by the senior military colleges is, in part, the result of the rigorous military environment imposed on students attending the senior military colleges by the colleges, as well as the result of the long-standing close support relationship between the Corps of Cadets at each college and the Reserve Officer Training Corps personnel at the colleges who serve as effective leadership role models and mentors.

(3) In recognition of the quality of the young leaders produced by the senior military colleges, the Department of Defense and the military services have traditionally maintained special relationships with the colleges, including the policy to grant active duty service in the Army to graduates of the colleges who desire such service and who are recommended for such service by their ROTC professors of military science.

(4) Each of the senior military colleges has demonstrated an ability to adapt its systems and operations to changing conditions in, and requirements of, the Armed Forces without compromising the quality of leaders produced and without interruption of the close relationship between the colleges and the Department of Defense.

(c) SENSE OF CONGRESS.—In light of the findings in subsection (b), it is the sense of Congress that—

(1) the proposed initiative of the Secretary of the Army to end the commitment to active duty service for all graduates of senior military colleges who desire such service and who are recommended for such service by their ROTC professors of military science is short-sighted and contrary to the long-term interests of the Army;

(2) as they have in the past, the senior military colleges can and will continue to accommodate to changing military requirements to ensure that future graduates entering military service continue to be officers of superb quality who are quickly assimilated by the Armed Forces and fully prepared to make significant contributions to the Armed Forces through extended military careers; and

(3) decisions of the Secretary of Defense or the Secretary of a military department that fundamentally and unilaterally change the long-standing relationship of the Armed Forces with the senior military colleges are not in the best interests of the Department of Defense or the Armed Forces and are patently unfair to students who made decisions to enroll in the senior military colleges on the basis of existing Department and Armed Forces policy.

(d) CONTINUATION OF SUPPORT FOR SENIOR MILITARY COLLEGES.—Section 2111a of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (f); and

(2) by inserting after subsection (c) the following new subsections:

''(d) TERMINATION OR REDUCTION OF PROGRAM PROHIBITED.—The Secretary of Defense and the Secretaries of the military departments may not take or authorize any action to terminate or reduce a unit of the Senior Reserve Officers' Training Corps at a senior military college unless the termination or reduction is specifically requested by the college.

''(e) ASSIGNMENT TO ACTIVE DUTY.—(1) The Secretary of the Army shall ensure that a graduate of a senior military college who desires to serve as a commissioned officer on active duty upon graduation from the college, who is medically and physically qualified for active duty, and who is recommended for such duty by the professor of military science at the college, shall be assigned to active duty. This paragraph shall apply to a member of the program at a senior military college who graduates from the college after March 31, 1997.

''(2) Nothing in this section shall be construed to prohibit the Secretary of the Army from requiring a member of the program who graduates from a senior military college to serve on active duty.''.

(e) TECHNICAL CORRECTIONS.—Subsection (f) of such section, as redesignated by subsection (d)(1), is amended—

(1) in paragraph (2), by striking out ''College'' and inserting in lieu thereof ''University''; and

(2) in paragraph (6), by inserting before the period the following: ''and State University''.

(f) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 2111a. Support for senior military colleges''.

(2) The item relating to such section in the table of sections at the beginning of chapter 103 of title 10, United States Code, is amended to read as follows:

''2111a. Support for senior military colleges.''.

SEC. 545. REPORT ON MAKING UNITED STATES NATIONALS ELIGIBLE FOR PARTICIPATION IN SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report on the utility of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(b) REQUIRED INFORMATION.—The Secretary shall include in the report the following information:

(1) A brief history of the prior admission of United States nationals to the Senior Reserve Officers' Training Corps, including the success rate of these cadets and midshipmen and how that rate compared to the average success rate of cadets and midshipmen during that same period.

(2) The advantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(3) The disadvantages of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps program.

(4) The incremental cost of including United States nationals in the Senior Reserve Officers' Training Corps.

(5) Methods of minimizing the risk that United States nationals admitted to the Senior Reserve Officers' Training Corps would be later disqualified because of ineligibility for United States citizenship.

(6) The recommendations of the Secretary on whether United States nationals should be eligible to participate in the Senior Reserve Officers' Training Corps program, and if so, a legislative proposal which would, if enacted, achieve that result.

SEC. 546. COORDINATION OF ESTABLISHMENT AND MAINTENANCE OF JUNIOR RESERVE OFFICERS' TRAINING CORPS UNITS TO MAXIMIZE ENROLLMENT AND ENHANCE EFFICIENCY.

(a) REQUIREMENT.—Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2032. Responsibility of the Secretaries of the military departments to maximize enrollment and enhance efficiency

''(a) COORDINATION.—The Secretary of each military department, in establishing, maintaining, transferring, and terminating Junior Reserve Officers' Training Corps units under section 2031 of this title, shall do so in a coordinated manner that is designed to maximize enrollment in the Corps and to enhance administrative efficiency in the management of the Corps.

''(b) CONSIDERATION OF NEW SCHOOL OPENINGS AND CONSOLIDATIONS.—In carrying out subsection (a), the Secretary of a military department shall take into consideration—

''(1) openings of new schools;

''(2) consolidations of schools; and

''(3) the desirability of continuing the opportunity for participation in the Corps by participants whose continued participation would otherwise be adversely affected by new school openings and consolidations of schools.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2032. Responsibility of the Secretaries of the military departments to maximize enrollment and enhance efficiency.''.

PART II—OTHER EDUCATION MATTERS

SEC. 551. UNITED STATES NAVAL POSTGRADUATE SCHOOL.

(a) AUTHORITY TO ADMIT ENLISTED MEMBERS AS STUDENTS.—Section 7045 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' after ''(a)''; and

(B) by adding at the end the following new paragraph:

''(2) The Secretary may permit an enlisted member of the armed forces who is assigned to the Naval Postgraduate School or to a nearby command to receive instruction at the Naval Postgraduate School. Admission of enlisted members for instruction under this paragraph shall be on a space-available basis.'';

(2) in subsection (b)—

(A) by striking out ''the students'' and inserting in lieu thereof ''officers''; and

(B) by adding at the end the following new sentence: ''In the case of an enlisted member permitted to receive instruction at the Postgraduate School, the Secretary of the Navy shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).''; and

(3) in subsection (c)—

(A) by striking out ''officers'' both places it appears and inserting in lieu thereof ''members''; and

(B) by striking out ''same regulations'' and inserting in lieu thereof ''such regulations, as determined appropriate by the Secretary of the Navy,''.

(b) CLERICAL AMENDMENTS.—(1) The heading of section 7045 of such title is amended to read as follows:

''§ 7045. Officers of the other armed forces; enlisted members: admission''.

(2) The item relating to section 7045 in the table of sections at the beginning of chapter 605 of such title is amended to read as follows:

''7045. Officers of the other armed forces; enlisted members: admission.''.

(c) AMENDMENT TO REFLECT REVISED CIVIL SERVICE GRADE STRUCTURE.—Section 7043(b) of such title is amended by striking out ''grade GS–18 of the General Schedule under section 5332 of title 5'' and inserting in lieu thereof ''level IV of the Executive Schedule''.

SEC. 552. COMMUNITY COLLEGE OF THE AIR FORCE.

(a) EXPANSION OF MEMBERS ELIGIBLE FOR PROGRAM TO INCLUDE INSTRUCTORS AT AIR FORCE TRAINING SCHOOLS.—Section 9315 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by striking out ''enlisted members of the Air Force'' and inserting in lieu thereof ''enlisted members described in subsection (b)'';

(2) by striking out ''(b) Subject to subsection (c),'' and inserting in lieu thereof ''(c)(1) Subject to paragraph (2),'';

(3) by redesignating subsection (c) as paragraph (2) and in that paragraph redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(4) by inserting after subsection (a) the following new subsection (b):

''(b) MEMBERS ELIGIBLE FOR PROGRAMS.—Subject to such other eligibility requirements as the Secretary concerned may prescribe, the following members of the armed forces are eligible to participate in programs of higher education under subsection (a)(1):

''(1) Enlisted members of the Air Force.

''(2) Enlisted members of the armed forces other than the Air Force who are serving as instructors at Air Force training schools.''.

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''ESTABLISHMENT AND MISSION.—'' after ''(a)''; and

(2) in subsection (c), as redesignated by subsection (a)(2), by inserting ''CONFERRAL OF DEGREES.—'' after ''(c)''.

(c) EFFECTIVE DATE.—Subsection (b) of section 9315 of such title, as added by subsection (a)(4), applies with respect to enrollments in the Community College of the Air Force after March 31, 1996.

SEC. 553. PRESERVATION OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE OF MEMBERS OF THE SELECTED RESERVE SERVING ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) PRESERVATION OF EDUCATIONAL ASSISTANCE.—Section 16131(c)(3)(B)(i) of title 10, United States Code, is amended by striking out '', in connection with the Persian Gulf War,''.

(b) EXTENSION OF 10-YEAR PERIOD OF AVAILABILITY.—Section 16133(b)(4) of such title is amended—

(1) by striking out ''(A)'';

(2) by striking out '', during the Persian Gulf War,'';

(3) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(4) by striking out ''(B) For the purposes'' and all that follows through ''title 38.''.

PART III—TRAINING OF ARMY DRILL SERGEANTS

SEC. 556. REFORM OF ARMY DRILL SERGEANT SELECTION AND TRAINING PROCESS.

(a) IN GENERAL.—The Secretary of the Army shall reform the process for selection and training of drill sergeants for the Army.

(b) MEASURES TO BE TAKEN.—As part of such reform, the Secretary shall undertake the following measures (unless, in the case of any such measure, the Secretary determines that that measure would not result in improved effectiveness and efficiency in the drill sergeant selection and training process):

(1) Review the overall process used by the Department of the Army for selection of drill sergeants to determine—

(A) whether that process is providing drill sergeant candidates in sufficient quantity and quality to meet the needs of the training system; and

(B) whether duty as a drill sergeant is a career-enhancing assignment (or is seen by potential drill sergeant candidates as a career-enhancing assignment) and what steps could be taken to ensure that such duty is in fact a career-enhancing assignment.

(2) Incorporate into the selection process for all drill sergeants the views and recommendations of the officers and senior noncommissioned officers in the chain of command of each candidate for selection (particularly those of senior noncommissioned officers) regarding the candidate's suitability and qualifications to be a drill sergeant.

(3) Establish a requirement for psychological screening for each drill sergeant candidate.

(4) Reform the psychological screening process for drill sergeant candidates to improve the quality, depth, and rigor of that screening process.

(5) Revise the evaluation system for drill sergeants in training to provide for a so-called ''whole person'' assessment that gives insight into the qualifications and suitability of a drill sergeant candidate beyond the candidate's ability to accomplish required performance tasks.

(6) Revise the Army military personnel records system so that, under conditions and circumstances to be specified in regulations prescribed by the Secretary, a drill sergeant trainee who fails to complete the training to be a drill sergeant and is denied graduation will not have the fact of that failure recorded in those personnel records.

(7) Provide each drill sergeant in training with the opportunity, before or during that training, to work with new recruits in initial entry training and to be evaluated on that opportunity.

(c) REPORT.—Not later than March 31, 1998, the Secretary shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report of the reforms adopted pursuant to this section or, in the case of any measure specified in any of paragraphs (1) through (7) of subsection (b) that was not adopted, the rationale why that measure was not adopted.

SEC. 557. TRAINING IN HUMAN RELATIONS MATTERS FOR ARMY DRILL SERGEANT TRAINEES.

(a) IN GENERAL.—(1) Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

''§4318. Drill sergeant trainees: human relations training

''(a) HUMAN RELATIONS TRAINING REQUIRED.—The Secretary of the Army shall include as part of the training program for drill sergeants a course in human relations. The course shall be a minimum of two days in duration.

''(b) RESOURCES.—In developing a human relations course under this section, the Secretary shall use the capabilities and expertise of the Defense Equal Opportunity Management Institute (DEOMI).''.

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

''4318. Drill sergeant trainees: human relations training.''.

(b) EFFECTIVE DATE.—Section 4318 of title 10, United States Code, as added by subsection (a), shall apply with respect drill sergeant trainee classes that begin after the end of the 90–day period beginning on the date of the enactment of this Act.

Subtitle F—Commission on Military Training and Gender-Related Issues

SEC. 561. ESTABLISHMENT AND COMPOSITION OF COMMISSION.

(a) ESTABLISHMENT.—There is established a Commission on Military Training and Gender-Related Issues to review requirements and restrictions regarding cross-gender relationships of members of the Armed Forces, to review the basic training programs of the Army, Navy, Air Force, and Marine Corps, and to make recommendations on improvements to those programs, requirements, and restrictions.

(b) COMPOSITION.—(1) The commission shall be composed of 10 members, appointed as follows:

(A) Five members shall be appointed jointly by the chairman and ranking minority party member of the Committee on National Security of the House of Representatives.

(B) Five members shall be appointed jointly by the chairman and ranking minority party member of the Committee on Armed Services of the Senate.

(2) The members of the commission shall choose one of the members to serve as chairman.

(3) All members of the commission shall be appointed not later than 45 days after the date of the enactment of this Act.

(c) QUALIFICATIONS.—Members of the commission shall be appointed from among private United States citizens with knowledge and expertise in one or more of the following:

(1) Training of military personnel.

(2) Social and cultural matters affecting entrance into the Armed Forces and affecting military service, military training, and military readiness, such knowledge and expertise to have been gained through recognized research, policy making and practical experience, as demonstrated by retired military personnel, members of the reserve components of the Armed Forces, representatives from educational organizations, and leaders from civilian industry and other Government agencies.

(3) Factors that define appropriate military job qualifications, including physical, mental, and educational factors.

(4) Combat or other theater of war operations.

(5) Organizational matters.

(6) Legal matters.

(7) Management.

(8) Gender integration matters.

(d) APPOINTMENTS.—(1) Members of the commission shall be appointed for the life of the commission.

(2) A vacancy in the membership shall not affect the commission's powers, but shall be filled in the same manner as the original appointment.

SEC. 562. DUTIES.

(a) FUNCTIONS RELATING TO REQUIREMENTS AND RESTRICTIONS REGARDING CROSS-GENDER RELATIONSHIPS.—The commission shall consider issues relating to personal relationships of members of the Armed Forces as follows:

(1) Review the laws, regulations, policies, directives, and practices that govern personal relationships between men and women in the Armed Forces and personal relationships between members of the Armed Forces and nonmilitary personnel of the opposite sex.

(2) Assess the extent to which the laws, regulations, policies, and directives have been applied consistently throughout the Armed Forces without regard to the armed force, grade, rank, or gender of the individuals involved.

(3) Assess the reports of the independent panel, the Department of Defense task force, and the review of existing guidance on fraternization and adultery that have been required by the Secretary of Defense.

(b) FUNCTIONS RELATING TO GENDER-INTEGRATED AND GENDER-SEGREGATED BASIC TRAINING.—(1) The commission shall review the parts of the initial entry training programs of the Army, Navy, Air Force, and Marine Corps that constitute the basic training of new recruits (in this subtitle referred to as ''basic training''). The review shall include a review of the basic training policies and practices of each of those services with regard to gender-integrated and gender-segregated basic training and, for each of the services, the effectiveness of gender-integrated and gender-segregated basic training.

(2) As part of the review under paragraph (1), the commission shall (with respect to each of the services) take the following measures:

(A) Determine how each service defines gender-integration and gender-segregation in the context of basic training.

(B) Determine the historical rationales for the establishment and disestablishment of gender-integrated or gender-segregated basic training.

(C) Examine, with respect to each service, the current rationale for the use of gender-integrated or gender-segregated basic training and the rationale that was current as of the time the service made a decision to integrate, or to segregate, basic training by gender (or as of the time of the most recent decision to continue to use a gender-integrated format or a gender-segregated format for basic training), and, as part

of the examination, evaluate whether at the time of that decision, the Secretary of the military department with jurisdiction over that service had substantive reason to believe, or has since developed data to support, that gender-integrated basic training, or gender-segregated basic training, improves the readiness or performance of operational units.

(D) Assess whether the concept of ''training as you will fight'' is a valid rationale for gender-integrated basic training or whether the training requirements and objectives for basic training are sufficiently different from those of operational units so that such concept, when balanced against other factors relating to basic training, might not be a sufficient rationale for gender-integrated basic training.

(E) Identify the requirements unique to each service that could affect a decision by the Secretary concerned to adopt a gender-integrated or gender-segregated format for basic training and assess whether the format in use by each service has been successful in meeting those requirements.

(F) Assess, with respect to each service, the degree to which different standards have been established, or if not established are in fact being implemented, for males and females in basic training for matters such as physical fitness, physical performance (such as confidence and obstacle courses), military skills (such as marksmanship and hand-grenade qualifications), and nonphysical tasks required of individuals and, to the degree that differing standards exist or are in fact being implemented, assess the effect of the use of those differing standards.

(G) Identify the goals that each service has set forth in regard to readiness, in light of the gender-integrated or gender-segregated format that such service has adopted for basic training, and whether that format contributes to the readiness of operational units.

(H) Assess the degree to which performance standards in basic training are based on military readiness.

(I) Evaluate the policies of each of the services regarding the assignment of adequate numbers of female drill instructors in gender-integrated training units who can serve as role models and mentors for female trainees.

(J) Review Department of Defense and military department efforts to objectively measure or evaluate the effectiveness of gender-integrated basic training, as compared to gender-segregated basic training, particularly with regard to the adequacy and scope of the efforts and with regard to the relevancy of findings to operational unit requirements, and determine whether the Department of Defense and the military departments are capable of measuring or evaluating the effectiveness of that training format objectively.

(K) Compare the pattern of attrition in gender-integrated basic training units with the pattern of attrition in gender-segregated basic training units and assess the relevancy of the findings of such comparison.

(L) Compare the level of readiness and morale of gender-integrated basic training units with the level of readiness and morale of gender-segregated units, and assess the relevancy of the findings of such comparison and the implications, for readiness, of any differences found.

(M) Compare the experiences, policies, and practices of the armed forces of other industrialized nations regarding gender-integrated training with those of the Army, Navy, Air Force, and Marine Corps.

(N) Review, and take into consideration, the current practices, relevant studies, and private sector training concepts pertaining to gender-integrated training.

(O) Assess the feasibility and implications of conducting basic training (or equivalent training) at the company level and below through separate units for male and female recruits, including the costs and other resource commitments required to implement and conduct basic training in such a manner and the implications for readiness and unit cohesion.

(P) Assess the feasibility and implications of requiring drill instructors for basic training units to be of the same sex as the recruits in those units if the basic training were to be conducted as described in subparagraph (O).

(c) FUNCTIONS RELATING TO BASIC TRAINING PROGRAMS GENERALLY.—The commission shall review the course objectives, structure, and length of the basic training programs of the Army, Navy, Air Force, and Marine Corps. The commission shall also review the relationship between those basic training objectives and the advanced training provided in the initial entry training programs of each of those services. As part of that review, the commission shall (with respect to each of those services) take the following measures:

(1) Determine the current end-state objectives established for graduates of basic training, particularly in regard to—

(A) physical conditioning;

(B) technical and physical skills proficiency;

(C) knowledge;

(D) military socialization, including the inculcation of service values and attitudes; and

(E) basic combat operational requirements.

(2) Assess whether those current end-state objectives, and basic training itself, should be modified (in structure, length, focus, program of instruction, training methods or otherwise) based, in part, on the following:

(A) An assessment of the perspectives of operational units on the quality and qualifications of the initial entry training graduates being assigned to those units, considering in particular whether the basic training system produces graduates who arrive in operational units with an appropriate level of skills, physical conditioning, and degree of military socialization to meet unit requirements and needs.

(B) An assessment of the demographics, backgrounds, attitudes, experience, and physical fitness of new recruits entering basic training, considering in particular the question of whether, given the entry level demographics, education, and background of new recruits, the basic training systems and objectives are most efficiently and effectively structured and conducted to produce graduates who meet service needs.

(C) An assessment of the perspectives of personnel who conduct basic training with regard to measures required to improve basic training.

(3) Assess the extent to which the initial entry training programs of each of the services continue, after the basic training phases of the programs, effectively to reinforce and advance the military socialization (including the inculcation of service values and attitudes), the physical conditioning, and the attainment and improvement of knowledge and proficiency in fundamental military skills that are begun in basic training.

(d) RECOMMENDATIONS.—The commission shall prepare—

(1) with respect to each of the Army, Navy, Air Force, and Marine Corps, an evaluation of gender-integrated and gender-segregated basic training programs, based upon the review under subsection (b);

(2) recommendations for such changes to the current system of basic training as the commission considers warranted; and

(3) recommendations for such changes to laws, regulations, policies, directives, and practices referred to in subsection (a)(1) as the commission considers warranted.

(e) REPORTS.—(1) Not later than April 15, 1998, the commission shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth a strategic plan for the work of the commission and the activities and initial findings of the commission.

(2) Not later than September 16, 1998, the commission shall submit a final report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The final report shall set forth the activities, findings, and recommendations of the commission, including any recommendations for congressional action and administrative action that the commission considers appropriate. The report shall specifically set forth the views of the Secretaries of the military departments regarding the matters described in subparagraphs (O) and (P) of subsection (b)(2).

SEC. 563. ADMINISTRATIVE MATTERS.

(a) MEETINGS.—(1) The commission shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(2) The commission shall meet upon the call of the chairman.

(3) A majority of the members of the commission shall constitute a quorum, but a lesser number may hold meetings.

(b) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the commission may, if authorized by the commission, take any action which the commission is authorized to take under this title.

(c) POWERS.—(1) The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out its duties.

(2) The commission may secure directly from the Department of Defense and any other department or agency of the Federal Government such information as the commission considers necessary to carry out its duties. Upon the request of the chairman of the commission, the head of a department or agency shall furnish the requested information expeditiously to the commission.

(3) The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) PAY AND EXPENSES OF COMMISSION MEMBERS.—(1) Each member of the commission who is not an employee of the Government shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performing the duties of the commission.

(2) Members and personnel of the commission may travel on aircraft, vehicles, or other conveyances of the Armed Forces when travel is necessary in the performance of a duty of the commission except when the cost of commercial transportation is less expensive.

(3) The members of the commission may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(4)(A) A member of the commission who is an annuitant otherwise covered by section 8344 or 8468 of title 5, United States Code, by reason of membership on the commission shall not be subject to the provisions of such section with respect to such membership.

(B) A member of the commission who is a member or former member of a uniformed service shall not be subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the commission.

(e) STAFF AND ADMINISTRATIVE SUPPORT.—(1) The chairman of the commission may, without regard to civil service laws and regulations, appoint and terminate an executive director and up to three additional staff members as necessary to enable the commission to perform its duties. The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51, and subchapter III of chapter 53,

of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the maximum rate of pay for grade GS–15 under the General Schedule.

(2) Upon the request of the chairman of the commission, the head of any department or agency of the Federal Government may detail, without reimbursement, any personnel of the department or agency to the commission to assist in carrying out its duties. A detail of an employee shall be without interruption or loss of civil service status or privilege.

(3) The chairman of the commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

(4) The Secretary of Defense shall furnish to the commission such administrative and support services as may be requested by the chairman of the commission.

SEC. 564. TERMINATION OF COMMISSION.

The commission shall terminate 60 days after the date on which it submits the final report under section 562(e)(2).

SEC. 565. FUNDING.

(a) FROM DEPARTMENT OF DEFENSE APPROPRIATIONS.—Upon the request of the chairman of the commission, the Secretary of Defense shall make available to the commission, out of funds appropriated for the Department of Defense, such amounts as the commission may require to carry out its duties.

(b) PERIOD OF AVAILABILITY.—Funds made available to the commission shall remain available, without fiscal year limitation, until the date on which the commission terminates.

SEC. 566. SUBSEQUENT CONSIDERATION BY CONGRESS.

After receipt of each report of the commission under section 562(e), Congress shall consider the report and, based upon the results of the review (and such other matters as Congress considers appropriate), consider whether to require by law that the Secretaries of the military departments conduct basic training on a gender-segregated or gender-integrated basis.

Subtitle G—Military Decorations and Awards

SEC. 571. PURPLE HEART TO BE AWARDED ONLY TO MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—(1) Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1131. Purple Heart: limitation to members of the armed forces

''The decoration known as the Purple Heart (authorized to be awarded pursuant to Executive Order 11016) may only be awarded to a person who is a member of the armed forces at the time the person is killed or wounded under circumstances otherwise qualifying that person for award of the Purple Heart.''.

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

''1131. Purple Heart: limitation to members of the armed forces.''.

(b) EFFECTIVE DATE.—Section 1131 of title 10, United States Code, as added by subsection (a), shall apply with respect to persons who are killed or wounded after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 572. ELIGIBILITY FOR ARMED FORCES EXPEDITIONARY MEDAL FOR PARTICIPATION IN OPERATION JOINT ENDEAVOR OR OPERATION JOINT GUARD.

(a) INCLUSION OF OPERATIONS.—For the purpose of determining the eligibility of members and former members of the Armed Forces for the Armed Forces Expeditionary Medal, the Secretary of Defense shall designate participation in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia and Herzegovina, and in such other areas in the region as the Secretary considers appropriate, as service in an area that meets the general requirements for the award of that medal.

(b) INDIVIDUAL DETERMINATION.—The Secretary of the military department concerned shall determine whether individual members or former members of the Armed Forces who participated in Operation Joint Endeavor or Operation Joint Guard meet the individual service requirements for award of the Armed Forces Expeditionary Medal as established in applicable regulations. A member or former member shall be considered to have participated in Operation Joint Endeavor or Operation Joint Guard if the member—

(1) was deployed in the Republic of Bosnia and Herzegovina, or in such other area in the region as the Secretary of Defense considers appropriate, in direct support of one or both of the operations;

(2) served on board a United States naval vessel operating in the Adriatic Sea in direct support of one or both of the operations; or

(3) operated in airspace above the Republic of Bosnia and Herzegovina, or in such other area in the region as the Secretary of Defense considers appropriate, while the operations were in effect.

(c) OPERATIONS DEFINED.—For purposes of this section:

(1) The term ''Operation Joint Endeavor'' means operations of the United States Armed Forces conducted in the Republic of Bosnia and Herzegovina during the period beginning on November 20, 1995, and ending on December 20, 1996, to assist in implementing the General Framework Agreement and Associated Annexes, initialed on November 21, 1995, in Dayton, Ohio.

(2) The term ''Operation Joint Guard'' means operations of the United States Armed Forces conducted in the Republic of Bosnia and Herzegovina as a successor to Operation Joint Endeavor during the period beginning on December 20, 1996, and ending on such date as the Secretary of Defense may designate.

SEC. 573. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATION.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations described in subsections (b), (c), and (d), the award of each such decoration having been determined by the Secretary of the military department concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR MEDAL.—Subsection (a) applies to the award of the Silver Star Medal as follows:

(1) To Joseph M. Moll, Jr. of Milford, New Jersey, for service during World War II.

(2) To Philip Yolinsky of Hollywood, Florida, for service during the Korean Conflict.

(3) To Robert Norman of Reno, Nevada, for service during World War II.

(c) NAVY AND MARINE CORPS MEDAL.—Subsection (a) applies to the award of the Navy and Marine Corps Medal to Gary A. Gruenwald of Damascus, Maryland, for service in Tunisia in October 1977.

(d) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate, before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 574. CLARIFICATION OF ELIGIBILITY OF MEMBERS OF READY RESERVE FOR AWARD OF SERVICE MEDAL FOR HEROISM.

(a) SOLDIER'S MEDAL.—Section 3750(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)''; and

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

''(2) The authority in paragraph (1) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.''.

(b) NAVY AND MARINE CORPS MEDAL.—Section 6246 of such title is amended—

(1) by designating the text of the section as subsection (a); and

(2) by adding at the end the following new subsection:

''(b) The authority in subsection (a) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.''.

(c) AIRMAN'S MEDAL.—Section 8750(a) of such title is amended—

(1) by inserting ''(1)'' after ''(a)''; and

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

''(2) The authority in paragraph (1) includes authority to award the medal to a member of the Ready Reserve who was not in a duty status defined in section 101(d) of this title when the member distinguished himself by heroism.''.

SEC. 575. ONE-YEAR EXTENSION OF PERIOD FOR RECEIPT OF RECOMMENDATIONS FOR DECORATIONS AND AWARDS FOR CERTAIN MILITARY INTELLIGENCE PERSONNEL.

Section 523(b)(1) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 311; 10 U.S.C. 1130 note) is amended by striking out ''during the one-year period beginning on the date of the enactment of this Act'' and inserting in lieu thereof ''during the period beginning on February 10, 1996, and ending on February 9, 1998''.

SEC. 576. ELIGIBILITY OF CERTAIN WORLD WAR II MILITARY ORGANIZATIONS FOR AWARD OF UNIT DECORATIONS.

(a) AUTHORITY.—A unit decoration may be awarded for any unit or other organization of the Armed Forces (such as the Military Intelligence Service of the Army) that (1) supported the planning or execution of combat operations during World War II primarily through unit personnel who were attached to other units of the Armed Forces or of other allied armed forces, and (2) is not otherwise eligible for award of the decoration by reason of not usually having been deployed as a unit in support of such operations.

(b) TIME FOR SUBMISSION OF RECOMMENDATION.—Any recommendation for award of a unit decoration under subsection (a) shall be submitted to the Secretary concerned (as defined in section 101(a)(9) of title 10, United States Code), or to such other official as the Secretary concerned may designate, not later than two years after the date of the enactment of this Act.

SEC. 577. RETROACTIVITY OF MEDAL OF HONOR SPECIAL PENSION.

(a) ENTITLEMENT.—In the case of Vernon J. Baker, Edward A. Carter, Junior, and Charles L. Thomas, who were awarded the Medal of Honor pursuant to section 561 of Public Law 104–201 (110 Stat. 2529) and whose names have been entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll, the entitlement of those persons to the special pension provided under section 1562 of title 38, United States Code (and antecedent provisions of law), shall be effective as follows:

(1) In the case of Vernon J. Baker, for months that begin after April 1945.

(2) In the case of Edward A. Carter, Junior, for months that begin after March 1945.

(3) In the case of Charles L. Thomas, for months that begin after December 1944.

(b) AMOUNT.—The amount of the special pension payable under subsection (a) for a month beginning before the date of the enactment of this Act shall be the amount of the special pension provided by law for that month for persons entered and recorded on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll (or an antecedent Medal of Honor Roll required by law).

(c) PAYMENT TO NEXT OF KIN.—In the case of a person referred to in subsection (a) who died before receiving full payment of the pension pursuant to this section, the Secretary of Veterans Affairs shall pay the total amount of the accrued pension, upon receipt of application for payment within one year after the date of the enactment of this Act, to the deceased person's spouse or, if there is no surviving spouse, then to the deceased person's children, per stirpes, in equal shares.

Subtitle H—Military Justice Matters

SEC. 581. ESTABLISHMENT OF SENTENCE OF CONFINEMENT FOR LIFE WITHOUT ELIGIBILITY FOR PAROLE.

(a) ESTABLISHMENT OF SENTENCE.—(1) Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 856 (article 56) the following new section (article):

"§ 856a. Art. 56a. Sentence of confinement for life without eligibility for parole

''(a) For any offense for which a sentence of confinement for life may be adjudged, a court-martial may adjudge a sentence of confinement for life without eligibility for parole.

''(b) An accused who is sentenced to confinement for life without eligibility for parole shall be confined for the remainder of the accused's life unless—

''(1) the sentence is set aside or otherwise modified as a result of—

''(A) action taken by the convening authority, the Secretary concerned, or another person authorized to act under section 860 of this title (article 60); or

''(B) any other action taken during post-trial procedure and review under any other provision of subchapter IX;

''(2) the sentence is set aside or otherwise modified as a result of action taken by a Court of Criminal Appeals, the Court of Appeals for the Armed Forces, or the Supreme Court; or

''(3) the accused is pardoned.''.

(2) The table of sections at the beginning of subchapter VIII of such chapter is amended by inserting after the item relating to section 856 (article 56) the following new item:

''856a. 56a. Sentence of confinement for life without eligibility for parole.''.

(b) EFFECTIVE DATE.—Section 856a of title 10, United States Code (article 56a of the Uniform Code of Military Justice), as added by subsection (a), shall be applicable only with respect to an offense committed after the date of the enactment of this Act.

SEC. 582. LIMITATION ON APPEAL OF DENIAL OF PAROLE FOR OFFENDERS SERVING LIFE SENTENCE.

(a) EXCLUSIVE AUTHORITY TO GRANT PAROLE ON APPEAL OF DENIAL.—Section 952 of title 10, United States Code, is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

(2) by adding at the end the following new subsection:

''(b) In a case in which parole for an offender serving a sentence of confinement for life is denied, only the President or the Secretary concerned may grant the offender parole on appeal of that denial. The authority to grant parole on appeal in such a case may not be delegated.''.

(b) EFFECTIVE DATE.—Subsection (b) of section 952 of title 10, United States Code (as added by subsection (a)), shall apply only with respect to any decision to deny parole made after the date of the enactment of this Act.

Subtitle I—Other Matters

SEC. 591. SEXUAL HARASSMENT INVESTIGATIONS AND REPORTS.

(a) INVESTIGATIONS.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 79 the following new chapter:

"CHAPTER 80—MISCELLANEOUS INVESTIGATION REQUIREMENTS AND OTHER DUTIES

''Sec.
''1561. Complaints of sexual harassment: investigation by commanding officers.

"§ 1561. Complaints of sexual harassment: investigation by commanding officers

''(a) ACTION ON COMPLAINTS ALLEGING SEXUAL HARASSMENT.—A commanding officer or officer in charge of a unit, vessel, facility, or area of the Army, Navy, Air Force, or Marine Corps who receives from a member of the command or a civilian employee under the supervision of the officer a complaint alleging sexual harassment by a member of the armed forces or a civilian employee of the Department of Defense shall carry out an investigation of the matter in accordance with this section.

''(b) COMMENCEMENT OF INVESTIGATION.—To the extent practicable, a commanding officer or officer in charge receiving such a complaint shall, within 72 hours after receipt of the complaint—

''(1) forward the complaint or a detailed description of the allegation to the next superior officer in the chain of command who is authorized to convene a general court-martial;

''(2) commence, or cause the commencement of, an investigation of the complaint; and

''(3) advise the complainant of the commencement of the investigation.

''(c) DURATION OF INVESTIGATION.—To the extent practicable, a commanding officer or officer in charge receiving such a complaint shall ensure that the investigation of the complaint is completed not later than 14 days after the date on which the investigation is commenced.

''(d) REPORT ON INVESTIGATION.—To the extent practicable, a commanding officer or officer in charge receiving such a complaint shall—

''(1) submit a final report on the results of the investigation, including any action taken as a result of the investigation, to the next superior officer referred to in subsection (b)(1) within 20 days after the date on which the investigation is commenced; or

''(2) submit a report on the progress made in completing the investigation to the next superior officer referred to in subsection (b)(1) within 20 days after the date on which the investigation is commenced and every 14 days thereafter until the investigation is completed and, upon completion of the investigation, then submit a final report on the results of the investigation, including any action taken as a result of the investigation, to that next superior officer.

''(e) SEXUAL HARASSMENT DEFINED.—In this section, the term 'sexual harassment' means any of the following:

''(1) Conduct (constituting a form of sex discrimination) that—

''(A) involves unwelcome sexual advances, requests for sexual favors, and deliberate or repeated offensive comments or gestures of a sexual nature when—

''(i) submission to such conduct is made either explicitly or implicitly a term or condition of a person's job, pay, or career;

''(ii) submission to or rejection of such conduct by a person is used as a basis for career or employment decisions affecting that person; or

''(iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment; and

''(B) is so severe or pervasive that a reasonable person would perceive, and the victim does perceive, the work environment as hostile or offensive.

''(2) Any use or condonation, by any person in a supervisory or command position, of any form of sexual behavior to control, influence, or affect the career, pay, or job of a member of the armed forces or a civilian employee of the Department of Defense.

''(3) Any deliberate or repeated unwelcome verbal comment or gesture of a sexual nature in the workplace by any member of the armed forces or civilian employee of the Department of Defense.''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of such title are amended by inserting after the item relating to chapter 79 the following new item:

"80. Miscellaneous Investigation Requirements and Other Duties ..... 1561".

(b) REPORTS.—(1) Not later than January 1 of each of 1998 and 1999, each officer receiving a complaint forwarded in accordance with section 1561(b) of title 10, United States Code, as added by subsection (a), during the preceding year shall submit to the Secretary of the military department concerned a report on all such complaints and the investigations of such complaints (including the results of the investigations, in cases of investigations completed during such preceding year).

(2)(A) Not later than March 1 of each of 1998 and 1999, each Secretary receiving a report under paragraph (1) for a year shall submit to the Secretary of Defense a report on all such reports so received.

(B) Not later than the April 1 following receipt of a report for a year under subparagraph (A), the Secretary of Defense shall transmit to Congress all such reports received for the year under subparagraph (A) together with the Secretary's assessment of each such report.

SEC. 592. SENSE OF THE SENATE REGARDING STUDY OF MATTERS RELATING TO GENDER EQUITY IN THE ARMED FORCES.

(a) FINDINGS.—The Senate makes the following findings:

(1) In the all-volunteer force, women play an integral role in the Armed Forces.

(2) With increasing numbers of women in the Armed Forces, questions arise concerning inequalities, and perceived inequalities, between the treatment of men and women in the Armed Forces.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Comptroller General should—

(1) conduct a study on any inequality, or perception of inequality, in the treatment of men and women in the Armed Forces that arises out of the statutes and regulations governing the Armed Forces; and

(2) submit to the Senate a report on the study not later than one year after the date of the enactment of this Act.

SEC. 593. AUTHORITY FOR PERSONNEL TO PARTICIPATE IN MANAGEMENT OF CERTAIN NON-FEDERAL ENTITIES.

(a) MILITARY PERSONNEL.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1032 the following new section:

"§ 1033. Participation in management of specified non-Federal entities: authorized activities

''(a) AUTHORIZATION.—The Secretary concerned may authorize a member of the armed forces under the Secretary's jurisdiction to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be

made on a case-by-case basis, for a particular member to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the member in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.

''(b) DESIGNATED ENTITIES.—(1) The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society and may designate any other entity described in paragraph (3). No other entities may be designated.

''(2) In this section, the term 'military welfare society' means the following:

''(A) Army Emergency Relief.

''(B) Air Force Aid Society, Inc.

''(C) Navy-Marine Corps Relief Society.

''(D) Coast Guard Mutual Assistance.

''(3) An entity described in this paragraph is an entity that is not operated for profit and is any of the following:

''(A) An entity that regulates and supports the athletic programs of the service academies (including athletic conferences).

''(B) An entity that regulates international athletic competitions.

''(C) An entity that accredits service academies and other schools of the armed forces (including regional accrediting agencies).

''(D) An entity that (i) regulates the performance, standards, and policies of military health care (including health care associations and professional societies), and (ii) has designated the position or capacity in that entity in which a member of the armed forces may serve if authorized under subsection (a).

''(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of a member of the armed forces to participate in the management of such an entity, shall be published in the Federal Register.

''(d) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1032 the following new item:

''1033. Participation in management of specified non-Federal entities: authorized activities.''.

(b) CIVILIAN PERSONNEL.—(1) Chapter 81 of such title is amended by inserting after section 1588 the following new section:

''§ 1589. Participation in management of specified non-Federal entities: authorized activities

''(a) AUTHORIZATION.—(1) The Secretary concerned may authorize an employee described in paragraph (2) to serve without compensation as a director, officer, or trustee, or to otherwise participate, in the management of an entity designated under subsection (b). Any such authorization shall be made on a case-by-case basis, for a particular employee to participate in a specific capacity with a specific designated entity. Such authorization may be made only for the purpose of providing oversight and advice to, and coordination with, the designated entity, and participation of the employee in the activities of the designated entity may not extend to participation in the day-to-day operations of the entity.

''(2) Paragraph (1) applies to any employee of the Department of Defense or, in the case of the Coast Guard when not operating as a service in the Navy, of the Department of Transportation. For purposes of this section, the term 'employee' includes a civilian officer.

''(b) DESIGNATED ENTITIES.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall designate those entities for which authorization under subsection (a) may be provided. The list of entities so designated may not be revised more frequently than semiannually. In making such designations, the Secretary shall designate each military welfare society named in paragraph (2) of section 1033(b) of this title and may designate any other entity described in paragraph (3) of such section. No other entities may be designated.

''(c) PUBLICATION OF DESIGNATED ENTITIES AND OF AUTHORIZED PERSONS.—A designation of an entity under subsection (b), and an authorization under subsection (a) of an employee to participate in the management of such an entity, shall be published in the Federal Register.

''(d) CIVILIANS OUTSIDE THE MILITARY DEPARTMENTS.—In this section, the term 'Secretary concerned' includes the Secretary of Defense with respect to employees of the Department of Defense who are not employees of a military department.

''(e) REGULATIONS.—The Secretary of Defense, and the Secretary of Transportation in the case of the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to carry out this section.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1588 the following new item:

''1589. Participation in management of specified non-Federal entities: authorized activities.''.

SEC. 594. TREATMENT OF PARTICIPATION OF MEMBERS IN DEPARTMENT OF DEFENSE CIVIL MILITARY PROGRAMS.

Section 2012 of title 10, United States Code, is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection:

''(g) TREATMENT OF MEMBER'S PARTICIPATION IN PROVISION OF SUPPORT OR SERVICES.—(1) The Secretary of a military department may not require or request a member of the armed forces to submit for consideration by a selection board (including a promotion board, command selection board, or any other kind of selection board) evidence of the member's participation in the provision of support and services to non-Department of Defense organizations and activities under this section or the member's involvement in, or support of, other community relations and public affairs activities of the armed forces.

''(2) Paragraph (1) does not prevent a selection board from considering material submitted voluntarily by a member of the armed forces which provides evidence of the participation of that member or another member in activities described in that paragraph.''.

SEC. 595. COMPTROLLER GENERAL STUDY OF DEPARTMENT OF DEFENSE CIVIL MILITARY PROGRAMS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the following:

(1) The nature, extent, and cost to the Department of Defense of the support and services being provided by units and members of the Armed Forces to non-Department of Defense organizations and activities under the authority of section 2012 of title 10, United States Code.

(2) The degree to which the Armed Forces are in compliance with the requirements of such section in the provision of such support and services, especially the requirements that the assistance meet specific requirements relative to military training and that the assistance provided be incidental to military training.

(3) The degree to which the regulations and procedures for implementing such section, as required by subsection (f) of such section, are consistent with the requirements of such section.

(4) The effectiveness of the Secretary of Defense and the Secretaries of the military departments in conducting oversight of the implementation of such section, and the provision of such support and services under such section, to ensure compliance with the requirements of such section.

(b) SUBMISSION OF REPORT.—Not later than March 31, 1998, the Comptroller General shall submit to Congress a report containing the results of the study required by subsection (a).

SEC. 596. ESTABLISHMENT OF PUBLIC AFFAIRS SPECIALTY IN THE ARMY.

(a) NEW SPECIALTY.—Chapter 307 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 3083. Public Affairs Specialty

''There is a career field in the Army known as the Public Affairs Specialty. Members of the Army with the Public Affairs Specialty are—

''(1) the Chief of Public Affairs;

''(2) commissioned officers of the Army in the grade of major or above who are selected and specifically educated, trained, and experienced to perform as professional public affairs officers for the remainder of their careers; and

''(3) other members of the Army assigned to public affairs positions by the Secretary of the Army.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''3083. Public Affairs Specialty.''.

SEC. 597. GRADE OF DEFENSE ATTACHÉ IN FRANCE.

(a) IN GENERAL.—Chapter 41 of title 10, United States Code, is amended by inserting after section 713 the following new section:

''§ 714. Defense attaché in France: required grade

''An officer may not be selected for assignment to the position of defense attaché to the United States embassy in France unless the officer holds (or is on a promotion list for promotion to) the grade of brigadier general or, in the case of the Navy, rear admiral (lower half).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 713 the following new item:

''714. Defense attaché in France: required grade.''.

SEC. 598. REPORT ON CREW REQUIREMENTS OF WC–130J AIRCRAFT.

(a) STUDY.—The Secretary of the Air Force shall conduct a study of the crew requirements for WC–130J aircraft to be procured for assignment to the aerial weather reconnaissance mission involving the eyewall penetration of tropical cyclones. The study shall include study of the anticipated operation of WC–130J aircraft in weather reconnaissance missions configured to carry five crewmembers, including a navigator. In carrying out the study, the Secretary shall provide for participation by members of the Armed Forces currently assigned to units engaged in weather reconnaissance operations.

(b) REPORT.—The Secretary shall submit to Congress a report on the results of the study. The Secretary shall include in the report the views of members of the Armed Forces currently assigned to units engaged in weather reconnaissance operations who participated in the study. If as a result of the study the Secretary determines that there are crewmembers assigned to weather reconnaissance duties in excess of the crew requirements that will be applicable for WC–130J aircraft, the Secretary shall include in the report a plan for retraining or reassignment of those crewmembers. The study shall be submitted not later than September 30, 1998.

SEC. 599. IMPROVEMENT OF MISSING PERSONS AUTHORITIES APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) APPLICABILITY TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

(A) by striking out subsection (c) and inserting in lieu thereof the following:

''(c) COVERED PERSONS.—(1) Section 1502 of this title applies in the case of any member of the armed forces on active duty—

''(A) who becomes involuntarily absent as a result of a hostile action or under circumstances suggesting that the involuntary absence is a result of a hostile action; and

''(B) whose status is undetermined or who is unaccounted for.

''(2) Section 1502 of this title applies in the case of any other person who is a citizen of the United States and a civilian officer or employee of the Department of Defense or (subject to paragraph (3)) an employee of a contractor of the Department of Defense—

''(A) who serves in direct support of, or accompanies, the armed forces in the field under orders and becomes involuntarily absent as a result of a hostile action or under circumstances suggesting that the involuntary absence is a result of a hostile action; and

''(B) whose status is undetermined or who is unaccounted for.

''(3) The Secretary of Defense shall determine, with regard to a pending or ongoing military operation, the specific employees, or groups of employees, of contractors of the Department of Defense to be considered to be covered by this subsection.''; and

(B) by adding at the end the following new subsection:

''(f) SECRETARY CONCERNED.—In this chapter, the term 'Secretary concerned' includes, in the case of a civilian officer or employee of the Department of Defense or an employee of a contractor of the Department of Defense, the Secretary of the military department or head of the element of the Department of Defense employing the officer or employee or contracting with the contractor, as the case may be.''.

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out ''one military officer'' and inserting in lieu thereof ''one individual described in paragraph (2)'';

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

(C) by inserting after paragraph (1) the following new paragraph (2):

''(2) An individual referred to in paragraph (1) is the following:

''(A) A military officer, in the case of an inquiry with respect to a member of the armed forces.

''(B) A civilian, in the case of an inquiry with respect to a civilian employee of the Department of Defense or of a contractor of the Department of Defense.''.

(3) Section 1504(d) of such title is amended—

(A) in paragraph (1), by striking out ''who are'' and all that follows in that paragraph and inserting in lieu thereof ''as follows:

''(A) In the case of a board that will inquire into the whereabouts and status of one or more members of the armed forces (and no civilians described in subparagraph (B)), the board shall be composed of officers having the grade of major or lieutenant commander or above.

''(B) In the case of a board that will inquire into the whereabouts and status of one or more civilian employees of the Department of Defense or contractors of the Department of Defense (and no members of the armed forces), the board shall be composed of—

''(i) not less than three employees of the Department of Defense whose rate of annual pay is equal to or greater than the rate of annual pay payable for grade GS–13 of the General Schedule under section 5332 of title 5; and

''(ii) such members of the armed forces as the Secretary considers advisable.

''(C) In the case of a board that will inquire into the whereabouts and status of both one or more members of the armed forces and one or more civilians described in subparagraph (B)—

''(i) the board shall include at least one officer described in subparagraph (A) and at least one employee of the Department of Defense described in subparagraph (B)(i); and

''(ii) the ratio of such officers to such employees on the board shall be roughly proportional to the ratio of the number of members of the armed forces who are subjects of the board's inquiry to the number of civilians who are subjects of the board's inquiry.''; and

(B) in paragraph (4), by striking out ''section 1503(c)(3)'' and inserting in lieu thereof ''section 1503(c)(4)''.

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

''(1) The term 'missing person' means—

''(A) a member of the armed forces on active duty who is in a missing status; or

''(B) a civilian employee of the Department of Defense or an employee of a contractor of the Department of Defense who serves in direct support of, or accompanies, the armed forces in the field under orders and who is in a missing status.

Such term includes an unaccounted for person described in section 1509(b) of this title, under the circumstances specified in the last sentence of section 1509(a) of this title.''.

(b) TRANSMISSION TO THEATER COMPONENT COMMANDER OF ADVISORY COPY OF MISSING PERSON REPORT.—(1) Section 1502 of such title is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) TRANSMISSION OF ADVISORY COPY TO THEATER COMPONENT COMMANDER.—When transmitting a report under subsection (a)(2) recommending that a person be placed in a missing status, the commander transmitting that report shall transmit an advisory copy of the report to the theater component commander with jurisdiction over the missing person.''.

(2) Section 1513 of such title is amended by adding at the end the following new paragraph:

''(8) The term 'theater component commander' means, with respect to any of the combatant commands, an officer of any of the armed forces who (A) is commander of all forces of that armed force assigned to that combatant command, and (B) is directly subordinate to the commander of the combatant command.''.

(c) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of such title is amended adding at the end the following new paragraphs:

''(3) A description of the location of the body, if recovered.

''(4) If the body has been recovered and is not identifiable through visual means, a certification by a forensic pathologist that the body recovered is that of the missing person. In determining whether to make such a certification, the forensic pathologist shall consider, as determined necessary by the Secretary of the military department concerned, additional evidence and information provided by appropriate specialists in forensic medicine or other appropriate medical sciences.''.

(d) MISSING PERSON'S COUNSEL.—(1) Sections 1503(f)(1) and 1504(f)(1) of such title are amended by adding at the end the following: ''The identity of counsel appointed under this paragraph for a missing person shall be made known to the missing person's primary next of kin and any other previously designated person of the person.''.

(2) Section 1503(f)(4) of such title is amended by adding at the end the following: ''The primary next of kin of a missing person and any other previously designated person of the missing person shall have the right to submit information to the missing person's counsel relative to the disappearance or status of the missing person.''.

(e) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of such title is amended by striking out subsection (a) and inserting in lieu thereof the following:

''(a) REVIEW OF STATUS.—(1) If new information (as defined in paragraph (2)) is found or received that may be related to one or more unaccounted for persons described in subsection (b) (whether or not such information specifically relates (or may specifically relate) to any particular such unaccounted for person), that information shall be provided to the Secretary of Defense. Upon receipt of such information, the Secretary shall ensure that the information is treated under paragraphs (2) and (3) of section 1505(c) of this title and under section 1505(d) of this title in the same manner as information received under paragraph (1) of section 1505(c) of this title. For purposes of the applicability of other provisions of this chapter in such a case, each such unaccounted for person to whom the new information may be related shall be considered to be a missing person.

''(2) For purposes of this subsection, new information is information that is credible and that—

''(A) is found or received after the date of the enactment of the the National Defense Authorization Act for Fiscal Year 1998 by a United States intelligence agency, by a Department of Defense agency, or by a person specified in section 1504(g) of this title; or

''(B) is identified after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 in records of the United States as information that could be relevant to the case of one or more unaccounted for persons described in subsection (b).''.

(2) Such section is further amended by adding at the end the following new subsection:

''(d) ESTABLISHMENT OF PERSONNEL FILES FOR KOREAN CONFLICT CASES.—The Secretary of Defense shall ensure that a personnel file is established for each unaccounted for person who is described in subsection (b)(1) if the Secretary possesses information relevant to that person's status. In the case of a person described in subsection (b)(1) for whom a personnel file does not exist, the Secretary shall create a personnel file for such person upon receipt of new information as provided in subsection (a). Each such file shall be handled in accordance with, and subject to the provisions of, section 1506 of this title in the same manner as applies to the file of a missing person.''.

(f) WITHHOLDING OF CLASSIFIED INFORMATION.—Section 1506(b) of such title is amended—

(1) by inserting ''(1)'' before ''The Secretary'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following:

''(2) If classified information withheld under this subsection refers to one or more unnamed missing persons, the Secretary shall ensure that notice of that withheld information, and notice of the date of the most recent review of the classification of that withheld information, is made reasonably accessible to the primary next of kin, members of the immediate family, and the previously designated person.''.

(g) WITHHOLDING OF PRIVILEGED INFORMATION.—Section 1506(d) of such title is amended—

(1) in paragraph (2)—

(A) by inserting ''or about unnamed missing persons'' in the first sentence after ''the debriefing report'';

(B) by striking out ''the missing person'' in the second sentence and inserting in lieu thereof ''each missing person named in the debriefing report''; and

(C) by adding at the end the following new sentence: ''Any information contained in the extract of the debriefing report that pertains to

unnamed missing persons shall be made reasonably accessible to the primary next of kin, members of the immediate family, and the previously designated person.''; and

(2) in paragraph (3), by inserting '', or part of a debriefing report,'' after ''a debriefing report''.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 1998.
Sec. 602. Reform of basic allowance for subsistence.
Sec. 603. Consolidation of basic allowance for quarters, variable housing allowance, and overseas housing allowances.
Sec. 604. Revision of authority to adjust compensation necessitated by reform of subsistence and housing allowances.
Sec. 605. Protection of total compensation of members while performing certain duty.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. One-year extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Increase in minimum monthly rate of hazardous duty incentive pay for certain members.
Sec. 615. Increase in aviation career incentive pay.
Sec. 616. Modification of aviation officer retention bonus.
Sec. 617. Availability of multiyear retention bonus for dental officers.
Sec. 618. Increase in variable and additional special pays for certain dental officers.
Sec. 619. Availability of special pay for duty at designated hardship duty locations.
Sec. 620. Definition of sea duty for purposes of career sea pay.
Sec. 621. Modification of Selected Reserve reenlistment bonus.
Sec. 622. Modification of Selected Reserve enlistment bonus for former enlisted members.
Sec. 623. Expansion of reserve affiliation bonus to include Coast Guard Reserve.
Sec. 624. Increase in special pay and bonuses for nuclear-qualified officers.
Sec. 625. Provision of bonuses in lieu of special pay for enlisted members extending tours of duty at designated locations overseas.
Sec. 626. Increase in amount of family separation allowance.
Sec. 627. Deadline for payment of Ready Reserve muster duty allowance.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Travel and transportation allowances for dependents before approval of member's court-martial sentence.
Sec. 632. Dislocation allowance.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

Sec. 641. One-year opportunity to discontinue participation in Survivor Benefit Plan.
Sec. 642. Time in which change in survivor benefit coverage from former spouse to spouse may be made.
Sec. 643. Review of Federal former spouse protection laws.
Sec. 644. Annuities for certain military surviving spouses.
Sec. 645. Administration of benefits for so-called minimum income widows.

Subtitle E—Other Matters

Sec. 651. Loan repayment program for commissioned officers in certain health professions.
Sec. 652. Conformance of NOAA commissioned officers separation pay to separation pay for members of other uniformed services.
Sec. 653. Eligibility of Public Health Service officers and NOAA commissioned corps officers for reimbursement of adoption expenses.
Sec. 654. Payment of back quarters and subsistence allowances to World War II veterans who served as guerrilla fighters in the Philippines.
Sec. 655. Subsistence of members of the Armed Forces above the poverty level.

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 1998.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment, to become effective during fiscal year 1998, required by section 1009 of title 37, United States Code (as amended by section 604), in the rate of monthly basic pay authorized members of the uniformed services by section 203(a) of such title shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 1998, the rates of basic pay of members of the uniformed services are increased by 2.8 percent.

SEC. 602. REFORM OF BASIC ALLOWANCE FOR SUBSISTENCE.

(a) ENTITLEMENT TO ALLOWANCE.—Section 402 of title 37, United States Code, is amended to read as follows:

''§ 402. Basic allowance for subsistence

''(a) ENTITLEMENT TO ALLOWANCE.—(1) Except as provided in paragraph (2) or otherwise provided by law, each member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for subsistence as set forth in this section.

''(2) An enlisted member is not entitled to the basic allowance for subsistence during basic training.

''(b) RATES OF ALLOWANCE BASED ON FOOD COSTS.—(1) The monthly rate of basic allowance for subsistence to be in effect for an enlisted member for a year (beginning on January 1 of that year) shall be the amount that is halfway between the following amounts, which are determined by the Secretary of Agriculture as of October 1 of the preceding year:

''(A) The amount equal to the monthly cost of a moderate-cost food plan for a male in the United States who is between 20 and 50 years of age.

''(B) The amount equal to the monthly cost of a liberal food plan for a male in the United States who is between 20 and 50 years of age.

''(2) The monthly rate of basic allowance for subsistence to be in effect for an officer for a year (beginning on January 1 of that year) shall be the amount equal to the monthly rate of basic allowance for subsistence in effect for officers for the preceding year, increased by the same percentage by which the rate of basic allowance for subsistence for enlisted members for the preceding year is increased effective on such January 1.

''(c) ADVANCE PAYMENT.—The allowance to an enlisted member may be paid in advance for a period of not more than three months.

''(d) SPECIAL RULE FOR MEMBERS AUTHORIZED TO MESS SEPARATELY.—(1) In areas prescribed by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, an enlisted member described in paragraph (2) is entitled to not more than the pro rata allowance established under subsection (b)(1) for each meal the member buys from a source other than a messing facility of the United States.

''(2) An enlisted member referred to in paragraph (1) is a member who is granted permission to mess separately and whose duties require the member to buy at least one meal from a source other than a messing facility of the United States.

''(e) POLICIES ON USE OF DINING AND MESSING FACILITIES.—The Secretary of Defense, in consultation with the Secretaries concerned, shall prescribe policies regarding use of dining and field messing facilities of the uniformed services.

''(f) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations for the administration of this section. Before prescribing the regulations, the Secretary shall consult with each Secretary concerned.

''(2) The regulations shall include the specific rates of basic allowance for subsistence required by subsection (b).''.

(b) CONFORMING AMENDMENTS.—(1) Section 404 of title 37, United States Code, is amended—

(A) by striking out subsection (g); and

(B) by redesignating subsections (h), (i), (j), and (k) as subsections (g), (h), (i), and (j), respectively.

(2) Section 6081(a) of title 10, United States Code, is amended by striking out ''Except'' and all that follows through ''subsistence, each'' and inserting in lieu thereof ''Each''.

(c) TRANSITIONAL AUTHORITY TO PROVIDE BASIC ALLOWANCE FOR SUBSISTENCE.—

(1) TRANSITIONAL AUTHORITY.—Notwithstanding section 402 of title 37, United States Code, as amended by subsection (a), during the period beginning on January 1, 1998, and ending on the date determined under paragraph (2)—

(A) the basic allowance for subsistence shall not be paid under such section 402;

(B) a member of the uniformed services is entitled to the basic allowance for subsistence only as provided in subsection (d);

(C) an enlisted member of the uniformed services may be paid a partial basic allowance for subsistence as provided in subsection (e); and

(D) the rates of the basic allowance for subsistence are those rates determined under subsection (f).

(2) TERMINATION OF TRANSITIONAL AUTHORITY.—The transitional authority provided under paragraph (1) shall terminate on the first day of the month immediately following the first month for which the monthly equivalent of the rate of basic allowance for subsistence payable to enlisted members of the uniformed services (when permission to mess separately is granted), as determined under subsection (f)(2), is equal to or is exceeded by the amount that, except for paragraph (1)(A), would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code, as amended by subsection (a).

(d) TRANSITIONAL ENTITLEMENT TO ALLOWANCE.—

(1) ENLISTED MEMBERS.—

(A) TYPES OF ENTITLEMENT.—An enlisted member is entitled to the basic allowance for subsistence, on a daily basis, of under one or more of the following circumstances:

(i) When rations in kind are not available

(ii) When permission to mess separately is granted.

(iii) When assigned to duty under emergency conditions where no messing facilities of the United States are available.

(B) OTHER ENTITLEMENT CIRCUMSTANCES.—An enlisted member is entitled to the allowance while on an authorized leave of absence, while confined in a hospital, or while performing travel under orders away from the member's designated post of duty other than field duty or sea duty (as defined in regulations prescribed by the

Secretary of Defense). For purposes of the preceding sentence, a member shall not be considered to be performing travel under orders away from his designated post of duty if such member—

(i) is an enlisted member serving the member's first tour of active duty;

(ii) has not actually reported to a permanent duty station pursuant to orders directing such assignment; and

(iii) is not actually traveling between stations pursuant to orders directing a change of station.

(C) ADVANCE PAYMENT.—The allowance to an enlisted member, when authorized, may be paid in advance for a period of not more than three months.

(2) OFFICERS.—An officer of a uniformed service who is entitled to basic pay is, at all times, entitled to the basic allowances for subsistence. An aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard is entitled to the same basic allowance for subsistence as is provided for an officer of the Navy, Air Force, Marine Corps, or Coast Guard, respectively.

(e) TRANSITIONAL AUTHORITY FOR PARTIAL ALLOWANCE.—

(1) ENLISTED MEMBERS FURNISHED SUBSISTENCE IN KIND.—The Secretary of Defense may provide in regulations for an enlisted member of a uniformed service to be paid a partial basic allowance for subsistence when—

(A) rations in kind are available to the member;

(B) the member is not granted permission to mess separately; or

(C) the member is assigned to duty under emergency conditions where messing facilities of the United States are available.

(2) MONTHLY PAYMENT.—Any partial basic allowance for subsistence authorized under paragraph (1) shall be calculated on a daily basis and paid on a monthly basis.

(f) TRANSITIONAL RATES.—

(1) ALLOWANCE FOR OFFICERS.—The monthly rate of basic allowance for subsistence for a year (beginning on January 1 of that year) that is payable to officers of the uniformed services shall be the amount that is equal to 101 percent of the rate of basic allowance for subsistence that was payable to officers of the uniformed services for the preceding year.

(2) ALLOWANCE FOR ENLISTED MEMBER WITH PERMISSION TO MESS SEPARATELY.—The monthly rate of basic allowance for subsistence for a year (beginning on January 1 of that year) that is payable to an enlisted member of the uniformed services entitled to the allowance under subsection (d)(1) shall be the amount that is equal to 101 percent of the rate of basic allowance for subsistence that was in effect for similarly situated enlisted members of the uniformed services for the preceding year.

(3) PARTIAL ALLOWANCE FOR OTHER ENLISTED MEMBERS.—The monthly rate of any partial basic allowance for subsistence for a year (beginning on January 1 of that year) payable to an enlisted member of the uniformed services eligible for the allowance under the regulations prescribed under subsection (e)(1) shall be the amount equal to the lesser of the following:

(A) The sum of—

(i) the partial basic allowance for subsistence in effect for the preceding year; and

(ii) the amount equal to the difference, if any, between—

(I) the monthly equivalent of the rate of basic allowance for subsistence that was in effect for the preceding year for members of the uniformed services above grade E–1 (when permission to mess separately is granted), increased by the same percentage by which the rates of basic pay for members of the uniformed services is increased for the current year; and

(II) the amount equal to 101 percent of the monthly equivalent of the rate of basic allowance for subsistence that was in effect for the previous year for members of the uniformed services above grade E–1 (when permission to mess separately is granted), with the amount so determined under this clause multiplied by the number of members estimated to be entitled to receive basic allowance for subsistence under subsection (d) for the current year and then divided by the number of members estimated to be eligible for the partial allowance under the regulations prescribed under subsection (e)(1) for that year.

(B) The amount equal to the difference between—

(i) the amount that, except for subsection (c)(1)(A), would otherwise be the monthly rate of basic allowance for subsistence for enlisted members under section 402(b)(1) of title 37, United States Code; and

(ii) the amount equal to the monthly equivalent of the value of a daily ration, as determined by the Under Secretary of Defense (Comptroller) as of October 1 of the preceding year.

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 1998.

SEC. 603. CONSOLIDATION OF BASIC ALLOWANCE FOR QUARTERS, VARIABLE HOUSING ALLOWANCE, AND OVERSEAS HOUSING ALLOWANCES.

(a) CONSOLIDATION OF ALLOWANCES.—Section 403 of title 37, United States Code, is amended to read as follows:

"§ 403. Basic allowance for housing

''(a) GENERAL ENTITLEMENT.—(1) Except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for housing at the monthly rates prescribed under this section or another provision of law with regard to the applicable component of the basic allowance for housing. The amount of the basic allowance for housing for a member will vary according to the pay grade in which the member is assigned or distributed for basic pay purposes, the dependency status of the member, and the geographic location of the member. The basic allowance for housing may be paid in advance.

''(2) A member of a uniformed service with dependents is not entitled to a basic allowance for housing as a member with dependents unless the member makes a certification to the Secretary concerned indicating the status of each dependent of the member. The certification shall be made in accordance with regulations prescribed by the Secretary of Defense.

''(b) BASIC ALLOWANCE FOR HOUSING INSIDE THE UNITED STATES.—(1) The Secretary of Defense shall determine the costs of adequate housing in a military housing area in the United States for all members of the uniformed services entitled to a basic allowance for housing in that area. The Secretary shall base the determination upon the costs of adequate housing for civilians with comparable income levels in the same area.

''(2) Subject to paragraph (3), the monthly amount of a basic allowance for housing for an area of the United States for a member of a uniformed service is equal to the difference between—

''(A) the monthly cost of adequate housing in that area, as determined by the Secretary of Defense, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member; and

''(B) 15 percent of the national average monthly cost of adequate housing in the United States, as determined by the Secretary, for members of the uniformed services serving in the same pay grade and with the same dependency status as the member.

''(3) The rates of basic allowance for housing shall be reduced as necessary to comply with this paragraph. The total amount that may be paid for a fiscal year for the basic allowance for housing under this subsection is the product of—

''(A) the total amount authorized to be paid for such allowance for the preceding fiscal year (as adjusted under paragraph (5)); and

''(B) a fraction—

''(i) the numerator of which is the index of the national average monthly cost of housing for June of the preceding fiscal year; and

''(ii) the denominator of which is the index of the national average monthly cost of housing for June of the fiscal year before the preceding fiscal year.

''(4) An adjustment in the rates of the basic allowance for housing under this subsection as a result of the Secretary's redetermination of housing costs in an area shall take effect on the same date as the effective date of the next increase in basic pay under section 1009 of this title or other provision of law.

''(5) In making a determination under paragraph (3) for a fiscal year, the amount authorized to be paid for the preceding fiscal year for the basic allowance for housing shall be adjusted to reflect changes during the year for which the determination is made in the number, grade distribution, geographic distribution in the United States, and dependency status of members of the uniformed services entitled to the allowance from the number of such members during the preceding fiscal year.

''(6) So long as a member of a uniformed service retains uninterrupted eligibility to receive a basic allowance for housing within an area of the United States, the monthly amount of the allowance for the member may not be reduced as a result of changes in housing costs in the area, changes in the national average monthly cost of housing, or the promotion of the member.

''(7) In the case of a member without dependents who is assigned to duty inside the United States, the location or the circumstances of which make it necessary that the member be reassigned under the conditions of low cost or no cost permanent change of station or permanent change of assignment, the member may be treated as if the member were not reassigned if the Secretary concerned determines that it would be inequitable to base the member's entitlement to, and amount of, a basic allowance for housing on the cost of housing in the area to which the member is reassigned.

''(c) BASIC ALLOWANCE FOR HOUSING OUTSIDE THE UNITED STATES.—(1) The Secretary of Defense may prescribe an overseas basic allowance for housing for a member of a uniformed service who is on duty outside of the United States. The Secretary shall establish the basic allowance for housing under this subsection on the basis of housing costs in the overseas area in which the member is assigned.

''(2) So long as a member of a uniformed service retains uninterrupted eligibility to receive a basic allowance for housing in an overseas area and the actual monthly cost of housing for the member is not reduced, the monthly amount of the allowance in an area outside the United States may not be reduced as a result of changes in housing costs in the area or the promotion of the member. The monthly amount of the allowance may be adjusted to reflect changes in currency rates.

''(d) BASIC ALLOWANCE FOR HOUSING WHEN DEPENDENTS ARE UNABLE TO ACCOMPANY MEMBER.—(1) A member of a uniformed service with dependents who is on permanent duty at a location described in paragraph (2) is entitled to a family separation basic allowance for housing under this subsection at a monthly rate equal to the rate of the basic allowance for housing established under subsection (b) or the overseas basic allowance for housing established under subsection (c), whichever applies to that location, for members in the same grade at that location without dependents.

''(2) A permanent duty location referred to in paragraph (1) is a location—

''(A) to which the movement of the member's dependents is not authorized at the expense of the United States under section 406 of this title, and the member's dependents do not reside at or near the location; and

''(B) at which quarters of the United States are not available for assignment to the member.

''(3) In the case of a member with dependents who is assigned to duty at a location or under circumstances that, as determined by the Secretary concerned, require the member's dependents to reside at a different location, the member shall receive a basic allowance for housing, as provided in subsection (a) or (b), as if the member were assigned to duty in the area in which the dependents reside, regardless of whether the member resides in quarters of the United States or is also entitled to a family separation basic allowance for housing by reason of paragraph (1).

''(4) The family separation basic allowance for housing under this subsection shall be in addition to any other allowance or per diem that the member is otherwise entitled to receive under this title. A member may receive a basic allowance for housing under both paragraphs (1) and (3).

''(e) EFFECT OF ASSIGNMENT TO QUARTERS.—(1) Except as otherwise provided by law, a member of a uniformed service who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service appropriate to the grade, rank, or rating of the member and adequate for the member and dependents of the member, if with dependents, is not entitled to a basic allowance for housing.

''(2) A member without dependents who is in a pay grade above pay grade E–6 and who is assigned to quarters in the United States or a housing facility under the jurisdiction of a uniformed service, appropriate to the grade or rank of the member and adequate for the member, may elect not to occupy those quarters and instead to receive the basic allowance for housing prescribed for the member's pay grade by this section.

''(3) A member without dependents who is in pay grade E–6 and who is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Secretary of Defense for members in such pay grade, or to a housing facility under the jurisdiction of a uniformed service that does not meet such standards, may elect not to occupy such quarters or facility and instead to receive the basic allowance for housing prescribed for the member's pay grade under this section.

''(4) The Secretary concerned may deny the right to make an election under paragraph (2) or (3) if the Secretary determines that the exercise of such an election would adversely affect a training mission, military discipline, or military readiness.

''(5) A member with dependents who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service may be paid the basic allowance for housing if, because of orders of competent authority, the dependents are prevented from occupying those quarters.

''(f) INELIGIBILITY DURING INITIAL FIELD DUTY OR SEA DUTY.—(1) A member of a uniformed service without dependents who makes a permanent change of station for assignment to a unit conducting field operations is not entitled to a basic allowance for housing while on that initial field duty unless the commanding officer of the member certifies that the member was necessarily required to procure quarters at the member's expense.

''(2)(A) Except as provided in subparagraphs (B) and (C), a member of a uniformed service without dependents who is in a pay grade below pay grade E–6 is not entitled to a basic allowance for housing while the member is on sea duty.

''(B) Under regulations prescribed by the Secretary concerned, the Secretary may authorize the payment of a basic allowance for housing to a member of a uniformed service without dependents who is serving in pay grade E–5 and is assigned to sea duty. In prescribing regulations under this subparagraph, the Secretary concerned shall consider the availability of quarters for members serving in pay grade E–5.

''(C) Notwithstanding section 421 of this title, two members of the uniformed services in a pay grade below pay grade E–6 who are married to each other, have no other dependents, and are simultaneously assigned to sea duty are jointly entitled to one basic allowance for housing during the period of such simultaneous sea duty. The amount of the allowance shall be based on the without dependents rate for the pay grade of the senior member of the couple. However, this subparagraph shall not apply to a couple if one or both of the members are entitled to a basic allowance for housing under subparagraph (B).

''(3) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Department of the Navy, shall prescribe regulation defining the terms 'field duty' and 'sea duty' for purposes of this section.

''(g) RESERVE MEMBERS.—(1) A member of a reserve component without dependents who is called or ordered to active duty in support of a contingency operation, or a retired member without dependents who is ordered to active duty under section 688(a) of title 10 in support of a contingency operation, may not be denied a basic allowance for housing if, because of that call or order, the member is unable to continue to occupy a residence—

''(A) which is maintained as the primary residence of the member at the time of the call or order; and

''(B) which is owned by the member or for which the member is responsible for rental payments.

''(2) Paragraph (1) shall not apply if the member is authorized transportation of household goods under section 406 of this title as part of the call or order to active duty described in such paragraph.

''(3) The Secretary of Defense shall establish a rate of basic allowance for housing to be paid to a member of a reserve component while the member serves on active duty under a call or order to active duty specifying a period of less than 140 days, unless the call or order to active duty is in support of a contingency operation.

''(h) RENTAL OF PUBLIC QUARTERS.—Notwithstanding any other law (including those restricting the occupancy of housing facilities under the jurisdiction of a department or agency of the United States by members, and their dependents, of the armed forces above specified grades, or by members, and their dependents, of the National Oceanic and Atmospheric Administration and the Public Health Service), a member of a uniformed service, and the dependents of the member, may be accepted as tenants in, and may occupy on a rental basis, any of those housing facilities, other than public quarters constructed or designated for assignment to an occupancy without charge by such a member and the dependents of the member, if any. Such a member may not, because of occupancy under this subsection, be deprived of any money allowance to which the member is otherwise entitled for the rental of quarters.

''(i) TEMPORARY HOUSING ALLOWANCE WHILE IN TRAVEL OR LEAVE STATUS.—A member of a uniformed service who is in a pay grade E–4 (4 or more years of service) or above is entitled to a temporary basic allowance for housing (at a rate determined by the Secretary of Defense) while the member is in a travel or leave status between permanent duty stations, including time granted as delay en route or proceed time, when the member is not assigned to quarters of the United States.

''(j) AVIATION CADETS.—The eligibility of an aviation cadet of the Navy, Air Force, Marine Corps, or Coast Guard for a basic allowance for housing shall be determined as if the aviation cadet were a member of the uniformed services in pay grade E–4.

''(k) ADMINISTRATION.—(1) The Secretary of Defense shall prescribe regulations for the administration of this section.

''(2) The Secretary concerned may make such determinations as may be necessary to administer this section, including determinations of dependency and relationship. When warranted by the circumstances, the Secretary concerned may reconsider and change or modify any such determination. The authority of the Secretary concerned under this subsection may be delegated. Any determination made under this section with regard to a member of the uniformed services is final and is not subject to review by any accounting officer of the United States or a court, unless there is fraud or gross negligence.

''(3) Parking facilities (including utility connections) provided members of the uniformed services for house trailers and mobile homes not owned by the Government shall not be considered to be quarters for the purposes of this section or any other provision of law. Any fees established by the Government for the use of such a facility shall be established in an amount sufficient to cover the cost of maintenance, services, and utilities and to amortize the cost of construction of the facility over the 25-year period beginning with the completion of such construction.

''(l) TEMPORARY CONTINUATION OF ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY.—(1) The Secretary of Defense, or the Secretary of Transportation in the case of the Coast Guard when not operating as a service in the Navy, may allow the dependents of a member of the armed forces who dies on active duty and whose dependents are occupying family housing provided by the Department of Defense, or by the Department of Transportation in the case of the Coast Guard, other than on a rental basis on the date of the member's death to continue to occupy such housing without charge for a period of 180 days.

''(2) The Secretary concerned may pay a basic allowance for housing (at the rate that is payable for members of the same grade and dependency status as the deceased member for the area where the dependents are residing) to the dependents of a member of the uniformed services who dies while on active duty and whose dependents—

''(A) are not occupying a housing facility under the jurisdiction of a uniformed service on the date of the member's death;

''(B) are occupying such housing on a rental basis on such date; or

''(C) vacate such housing sooner than 180 days after the date of the member's death.

''(3) The payment of the allowance under paragraph (2) shall terminate 180 days after the date of the member's death.

''(m) MEMBERS PAYING CHILD SUPPORT.—(1) A member of a uniformed service with dependents may not be paid a basic allowance for housing at the with dependents rate solely by reason of the payment of child support by the member if—

''(A) the member is assigned to a housing facility under the jurisdiction of a uniformed service; or

''(B) the member is assigned to sea duty, and elects not to occupy assigned quarters for unaccompanied personnel, unless the member is in a pay grade above E–4.

''(2) A member of a uniformed service assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service who is not otherwise authorized a basic allowance for housing and who pays child support is entitled to the basic allowance for housing differential, except for months for which the amount payable for the child support is less than the rate of the differential. Payment of a basic allowance for housing differential does not affect any entitlement of the member to a partial allowance for quarters under subsection (n).

''(3) The basic allowance for housing differential to which a member is entitled under paragraph (2) is the amount equal to the difference between—

''(A) the rate of the basic allowance for quarters (with dependents) for the member's pay

grade, as such rate was in effect on December 31, 1997, under this section (as in effect on that date); and

''(B) the rate of the basic allowance for quarters (without dependents) for the member's pay grade, as such rate was in effect on December 31, 1997, under this section (as in effect on that date).

''(4) Whenever the rates of basic pay for members of the uniformed services are increased, the monthly amount of the basic allowance for housing differential computed under paragraph (3) shall be increased by the average percentage increase in the rates of basic pay. The effective date of the increase shall be the same date as the effective date of the increase in the rates of basic pay.

''(5) In the case of two members, who have one or more common dependents (and no others), who are not married to each other, and one of whom pays child support to the other, the amount of the basic allowance for housing paid to each member under this section shall be reduced in accordance with regulations prescribed by the Secretary of Defense. The total amount of the basic allowances for housing paid to the two members may not exceed the sum of the amounts of the allowance to which each member would be otherwise entitled under this section.

''(n) PARTIAL ALLOWANCE FOR MEMBERS WITHOUT DEPENDENTS.—(1) A member of a uniformed service without dependents who is not entitled to receive a basic allowance for housing under subsection (b), (c), or (d) is entitled to a partial basic allowance for housing at a rate determined by the Secretary of Defense under paragraph (2).

''(2) The rate of the partial basic allowance for housing is the partial rate of the basic allowance for quarters for the member's pay grade as such partial rate was in effect on December 31, 1997, under section 1009(c)(2) of this title (as such section was in effect on such date).''.

(b) TRANSITION TO BASIC ALLOWANCE FOR HOUSING.—The Secretary of Defense shall develop and implement a plan to incrementally manage the rate of growth of the various components of the basic allowance for housing authorized by section 403 of title 37, United States Code (as amended by subsection (a)), during a transition period of not more than six years. During the transition period, the Secretary may continue to use the authorities provided under sections 403, 403a, 405(b), and 427(a) of title 37, United States Code (as in effect on the day before the date of the enactment of this Act), but subject to such modifications as the Secretary considers necessary, to provide allowances for members of the uniformed services.

(c) REPEAL OF SUPERSEDED AUTHORITIES.—(1) Section 403a of title 37, United States Code, is repealed.

(2) Section 405 of such title is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) Section 427 of such title is amended—

(A) by striking out subsection (a); and

(B) in subsection (b)—

(i) by striking out ''(b) ADDITIONAL SEPARATION ALLOWANCE.—'' and inserting in lieu thereof ''(a) ENTITLEMENT TO ALLOWANCE.—'';

(ii) in paragraph (1)—

(I) by striking out '', including subsection (a),'' in the matter preceding the subparagraphs;

(II) by inserting ''or'' at the end of subparagraph (B);

(III) by striking out ''; or'' at the end of subparagraph (C) and inserting in lieu thereof a period; and

(IV) by striking out subparagraph (D);

(iii) in paragraph (3)—

(I) by striking out ''(3) An allowance'' and inserting in lieu thereof ''(b) ENTITLEMENT WHEN NO RESIDENCE OR HOUSEHOLD MAINTAINED FOR DEPENDENTS.—An allowance''; and

(II) by striking out ''this subsection'' and inserting in lieu thereof ''subsection (a)'';

(iv) in paragraph (4)—

(I) by striking out ''(4) A member'' and inserting in lieu thereof ''(c) EFFECT OF ELECTION TO SERVE UNACCOMPANIED TOUR OF DUTY.—A member''; and

(II) by striking out ''paragraph (1)(A) of this subsection'' and inserting in lieu thereof ''subsection (a)(1)(A)''; and

(v) by striking out paragraph (5) and inserting in lieu thereof the following new subsection:

''(d) ENTITLEMENT WHILE SPOUSE ENTITLED TO BASIC PAY.—A member married to another member of the uniformed services becomes entitled, regardless of any other dependency status, to an allowance under subsection (a) by virtue of duty prescribed in subparagraph (A), (B), or (C) of paragraph (1) of such subsection if the members were residing together immediately before being separated by reasons of execution of military orders. Section 421 of this title does not apply to bar the entitlement to an allowance under this section. However, not more than one monthly allowance may be paid with respect to a married couple under this section.''.

(4) The table of sections at the beginning of chapter 7 of title 37, United States Code, is amended by striking out the items relating to sections 403 and 403a and inserting in lieu thereof the following new item:

''403. Basic allowance for housing.''.

(d) CONFORMING AMENDMENTS.—(1) Title 37, United States Code, is amended—

(A) in section 101(25), by striking out ''basic allowance for quarters (including any variable housing allowance or station housing allowance)'' and inserting in lieu thereof ''basic allowance for housing'';

(B) in section 406(c), by striking out ''sections 404 and 405'' and inserting in lieu thereof ''sections 403(c), 404, and 405'';

(C) in section 420(c), by striking out ''quarters'' and inserting in lieu thereof ''housing'';

(D) in section 551(3)(D), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''; and

(E) in section 1014(a), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''.

(2) Title 10, United States Code, is amended—

(A) in section 708(c)(1), by striking out ''basic allowance for quarters or basic allowance for subsistence'' and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37, basic allowance for subsistence under section 402 of such title,'';

(B) in section 2830(a)—

(i) in paragraph (1), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37''; and

(ii) in paragraph (2), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing'';

(C) in section 2882(b)—

(i) in paragraph (1), by striking out ''section 403(b)'' and inserting in lieu thereof ''section 403''; and

(ii) in paragraph (2), by striking out ''basic allowance for quarters'' and all that follows through the end of the paragraph and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37.'';

(D) in section 7572(b)—

(i) in paragraph (1), by striking out ''the total of—'' and all that follows through the end of the paragraph and inserting in lieu thereof ''the basic allowance for housing payable under section 403 of title 37 to a member of the same pay grade without dependents for the period during which the member is deprived of quarters on board ship.''; and

(ii) in paragraph (2), by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''; and

(E) in section 7573, by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing under section 403 of title 37''.

(3) Section 5561(6)(D) of title 5, United States Code, is amended by striking out ''basic allowance for quarters'' and inserting in lieu thereof ''basic allowance for housing''.

(4) Section 107(b) of title 32, United States Code, is amended by striking out ''and quarters'' and inserting in lieu thereof ''and housing''.

(5) Section 4(k)(10) of the Military Selective Service Act (50 U.S.C. App. 454(k)(10)) is amended by striking out ''as such terms'' and all that follows through ''extended or amended'' and inserting in lieu thereof ''shall be entitled to receive a dependency allowance equal to the basic allowance for housing provided for persons in pay grade E–1 under section 403 of title 37, United States Code,''.

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 1998.

SEC. 604. REVISION OF AUTHORITY TO ADJUST COMPENSATION NECESSITATED BY REFORM OF SUBSISTENCE AND HOUSING ALLOWANCES.

(a) REMOVAL OF REFERENCES TO BAS AND BAQ.—(1) Section 1009 of title 37, United States Code, is amended to read as follows:

''§ 1009. Adjustments of monthly basic pay

''(a) ADJUSTMENT REQUIRED.—Whenever the General Schedule of compensation for Federal classified employees, as contained in section 5332 of title 5, is adjusted upward as provided in section 5303 of such title, the President shall immediately make an upward adjustment in the monthly basic pay authorized members of the uniformed services by section 203(a) of this title.

''(b) EFFECTIVENESS OF ADJUSTMENT.—An adjustment under this section shall—

''(1) have the force and effect of law; and

''(2) carry the same effective date as that applying to the compensation adjustments provided General Schedule employees.

''(c) EQUAL PERCENTAGE INCREASE FOR ALL MEMBERS.—Subject to subsection (d), an adjustment under this section shall provide all eligible members with an increase in the monthly basic pay which is of the same percentage as the overall average percentage increase in the General Schedule rates of both basic pay and locality pay for civilian employees.

''(d) ALLOCATION OF INCREASE AMONG PAY GRADES AND YEARS-OF-SERVICE.—(1) Subject to paragraph (2), whenever the President determines such action to be in the best interest of the Government, he may allocate the overall percentage increase in the monthly basic pay under subsection (a) among such pay grade and years-of-service categories as he considers appropriate.

''(2) In making any allocation of an overall percentage increase in basic pay under paragraph (1)—

''(A) the amount of the increase in basic pay for any given pay grade and years-of-service category after any allocation made under this subsection may not be less than 75 percent of the amount of the increase in the monthly basic pay that would otherwise have been effective with respect to such pay grade and years-of-service category under subsection (c); and

''(B) the percentage increase in the monthly basic pay in the case of any member of the uniformed services with four years or less service may not exceed the overall percentage increase in the General Schedule rates of basic pay for civilian employees.

''(e) NOTICE OF ALLOCATIONS.—Whenever the President plans to exercise the authority of the President under subsection (d) with respect to any anticipated increase in the monthly basic pay of members of the uniformed services, the President shall advise Congress, at the earliest practicable time prior to the effective date of such increase, regarding the proposed allocation of such increase.

''(f) QUADRENNIAL ASSESSMENT OF ALLOCATIONS.—The allocations of increases made under

this section shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008(b) of this title.''.

(2) The item relating to such section in the table of sections at the beginning of chapter 19 of such title is amended to read as follows:

''1009. Adjustments of monthly basic pay.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1998.

SEC. 605. PROTECTION OF TOTAL COMPENSATION OF MEMBERS WHILE PERFORMING CERTAIN DUTY.

Section 1009 of title 37, United States Code, as amended by section 604, is further amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

''(f) PROTECTION OF MEMBER'S TOTAL COMPENSATION WHILE PERFORMING CERTAIN DUTY.—(1) The total daily equivalent amount of the elements of compensation described in paragraph (3), together with other pay and allowances under this title, to be paid to a member of the uniformed services who is temporarily assigned to duty away from the member's permanent duty station or to duty under field conditions at the member's permanent duty station shall not be less, for any day during the assignment period, than the total amount, for the day immediately preceding the date of the assignment, of the elements of compensation and other pay and allowances of the member.

''(2) Paragraph (1) shall not apply with respect to an element of compensation or other pay or allowance of a member during an assignment described in such paragraph to the extent that the element of compensation or other pay or allowance is reduced or terminated due to circumstances unrelated to the assignment.

''(3) The elements of compensation referred to in this subsection mean—

''(A) the monthly basic pay authorized members of the uniformed services by section 203(a) of this title;

''(B) the basic allowance for subsistence authorized members of the uniformed services by section 402 of this title; and

''(C) the basic allowance for housing authorized members of the uniformed services by section 403 of this title.''

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of title 37, United States Code, as redesignated by section 622, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 1999''.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 613. ONE-YEAR EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out ''September 30, 1998,'' and inserting in lieu thereof ''September 30, 1999,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(c) ENLISTMENT BONUSES FOR MEMBERS WITH CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 1999''.

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 1999''.

SEC. 614. INCREASE IN MINIMUM MONTHLY RATE OF HAZARDOUS DUTY INCENTIVE PAY FOR CERTAIN MEMBERS.

(a) AERIAL FLIGHT CREWMEMBERS.—The table in subsection (b) of section 301 of title 37, United States Code, is amended—

(1) by striking out ''110'' each place it appears and inserting in lieu thereof ''150''; and

(2) by striking out ''125'' each place it appears and inserting in lieu thereof ''150''.

(b) AIR WEAPONS CONTROLLER AIRCREW.—The table in subsection (c)(2)(A) of such section is amended—

(1) by striking out ''100'' in the first column of amounts and inserting in lieu thereof ''150'';

(2) by striking out ''110'' in the last column of amounts and inserting in lieu thereof ''150''; and

(3) by striking out ''125'' each place it appears and inserting in lieu thereof ''150''.

(c) OTHER MEMBERS.—Subsection (c)(1) of such section is amended—

(1) by striking out ''$110'' and inserting in lieu thereof ''$150''; and

(2) by striking out ''$165'' and inserting in lieu thereof ''$225''.

SEC. 615. INCREASE IN AVIATION CAREER INCENTIVE PAY.

(a) AMOUNTS.—The table in subsection (b)(1) of section 301a of title 37, United States Code, is amended—

(1) by inserting at the end of phase I of the table the following:

''Over 14 ..... 840''; and

(2) by striking out phase II of the table and inserting in lieu thereof the following:

''PHASE II

''Years of service as an officer:	''Monthly rate
''Over 22	$585
''Over 23	495
''Over 24	385
''Over 25	250''.

(b) CONFORMING AMENDMENTS.—Such subsection is further amended in the matter after the table by striking out ''18 years'' both places it appears and inserting in lieu thereof ''22 years''.

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by subsection (a) shall take effect on January 1, 1999, and shall apply with respect to months beginning on or after that date.

SEC. 616. MODIFICATION OF AVIATION OFFICER RETENTION BONUS.

(a) INCREASE IN BONUS AMOUNTS.—Subsection (c) of section 301b of title 37, United States Code, is amended—

(1) in paragraph (1), by striking out ''$12,000'' and inserting in lieu thereof ''$25,000''; and

(2) in paragraph (2), by striking out ''$6,000'' and inserting in lieu thereof ''$12,000''.

(b) DURATION OF AGREEMENT.—Paragraph (2) of such subsection is further amended by striking out ''one or two years'' and inserting in lieu thereof ''one, two, or three years''.

(c) CONTENT OF ANNUAL REPORT.—Subsection (i)(1) of such section is amended—

(1) by inserting ''and'' at the end of subparagraph (A);

(2) by striking out ''; and'' at the end of subparagraph (B) and inserting in lieu thereof a period; and

(3) by striking out subparagraph (C).

(d) DEFINITION OF AVIATION SPECIALTY.—Subsection (j)(2) of such section is amended by inserting ''specific'' before ''community'' both places it appears.

(e) EFFECTIVE DATES AND APPLICABILITY.—The amendments made by this section shall take effect as of October 1, 1996, and shall apply with respect to agreements accepted under section 301b of title 37, United States Code, on or after that date.

SEC. 617. AVAILABILITY OF MULTIYEAR RETENTION BONUS FOR DENTAL OFFICERS.

(a) AVAILABILITY OF RETENTION BONUS.—Chapter 5 of title 37, United States Code, is amended by inserting after section 301d the following new section:

''§ 301e. Multiyear retention bonus: dental officers of the armed forces

''(a) BONUS AUTHORIZED.—(1) A dental officer described in subsection (b) who executes a written agreement to remain on active duty for two, three, or four years after completion of any other active-duty service commitment may, upon acceptance of the written agreement by the Secretary of the military department concerned, be paid a retention bonus as provided in this section.

''(2) The amount of a retention bonus under paragraph (1) may not exceed $14,000 for each year covered by a four-year agreement. The

maximum yearly retention bonus for two-year and three-year agreements shall be reduced to reflect the shorter service commitment.

''(b) OFFICERS AUTOMATICALLY ELIGIBLE.—Subsection (a) applies to an officer of the armed forces who—

''(1) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer;

''(2) has a dental specialty in oral and maxillofacial surgery;

''(3) is in a pay grade below pay grade 0–7;

''(4) has at least eight years of creditable service (computed as described in section 302b(g) of this title) or has completed any active-duty service commitment incurred for dental education and training; and

''(5) has completed initial residency training (or will complete such training before September 30 of the fiscal year in which the officer enters into an agreement under subsection (a)).

''(c) EXTENSION OF BONUS TO OTHER DENTAL OFFICERS.—At the discretion of the Secretary of the military department concerned, the Secretary may enter into a written agreement described in subsection (a)(1) with a dental officer who does not have the dental specialty specified in subsection (b)(2), and pay a retention bonus to such an officer as provided in this section, if the officer otherwise satisfies the eligibility requirements specified in subsection (b). The Secretaries shall exercise the authority provided in this section in a manner consistent with regulations prescribed by the Secretary of Defense.

''(d) REFUNDS.—(1) Refunds shall be required, on a pro rata basis, of sums paid under this section if the officer who has received the payment fails to complete the total period of active duty specified in the agreement, as conditions and circumstances warrant.

''(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) A discharge in bankruptcy under title 11, United States Code, that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1). This paragraph applies to any case commenced under title 11 after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 301d the following new item:

''301e. Multiyear retention bonus: dental officers of the armed forces.''.

SEC. 618. INCREASE IN VARIABLE AND ADDITIONAL SPECIAL PAYS FOR CERTAIN DENTAL OFFICERS.

(a) VARIABLE SPECIAL PAY FOR JUNIOR OFFICERS.—Paragraph (2) of section 302b(a) of title 37, United States Code, is amended by striking out subparagraphs (C), (D), (E), and (F) and inserting in lieu thereof the following new subparagraphs:

''(C) $7,000 per year, if the officer has at least six but less than eight years of creditable service.

''(D) $12,000 per year, if the officer has at least eight but less than 12 years of creditable service.

''(E) $10,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

''(F) $9,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

''(G) $8,000 per year, if the officer has 18 or more years of creditable service.''.

(b) VARIABLE SPECIAL PAY FOR SENIOR OFFICERS.—Paragraph (3) of such section is amended by striking out ''$1,000'' and inserting in lieu thereof ''$7,000''.

(c) ADDITIONAL SPECIAL PAY.—Paragraph (4) of such section is amended by striking out subparagraphs (B), (C), and (D) and inserting in lieu thereof the following new subparagraphs:

''(B) $6,000 per year, if the officer has at least three but less than 10 years of creditable service.

''(C) $15,000 per year, if the officer has 10 or more years of creditable service.''.

SEC. 619. AVAILABILITY OF SPECIAL PAY FOR DUTY AT DESIGNATED HARDSHIP DUTY LOCATIONS.

(a) SPECIAL PAY AUTHORIZED.—Subsection (a) of section 305 of title 37, United States Code, is amended to read as follows:

''(a) SPECIAL PAY AUTHORIZED.—A member of a uniformed service who is entitled to basic pay may be paid special pay under this section at a monthly rate not to exceed $300 while the member is on duty at a location in the United States or outside the United States designated by the Secretary of Defense as a hardship duty location.''.

(b) CROSS REFERENCES AND REGULATIONS.—Such section is further amended—

(1) in subsection (b)—

(A) by inserting ''EXCEPTION FOR CERTAIN MEMBERS SERVING IN CERTAIN LOCATIONS.—'' after ''(b)''; and

(B) by striking out ''as foreign duty pay'' and inserting in lieu thereof ''as hardship duty location pay'';

(2) in subsection (c)—

(A) by inserting ''EXCEPTION FOR MEMBERS RECEIVING CAREER SEA PAY.—'' after ''(c)''; and

(B) by striking out ''special pay under this section'' and inserting in lieu thereof ''hardship duty location pay under subsection (a)''; and

(3) by adding at the end the following new subsection:

''(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the provision of hardship duty location pay under subsection (a), including the specific monthly rates at which the special pay will be available.''.

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§305. Special pay: hardship duty location pay''.

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by striking out the item relating to section 305 and inserting in lieu thereof the following new item:

''305. Special pay: hardship duty location pay.''.

(d) CONFORMING AMENDMENT.—Section 907(d) of title 37, United States Code, is amended by striking out ''duty at certain places'' and inserting in lieu thereof ''duty at a hardship duty location''.

(e) TRANSITION.—Until such time as the Secretary of Defense prescribes regulations regarding the provision of hardship duty location pay under section 305 of title 37, United States Code, as amended by this section, the Secretary may continue to use the authority provided by such section 305, as in effect on the day before the date of the enactment of this Act, to provide special pay to enlisted members of the uniformed services on duty at certain places.

SEC. 620. DEFINITION OF SEA DUTY FOR PURPOSES OF CAREER SEA PAY.

Section 305a(d) of title 37, United States Code, is amended—

(1) in paragraph (1)(A), by striking out '', ship-based staff, or ship-based aviation unit'';

(2) in paragraph (1)(B), by striking out ''or ship-based staff'';

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

(4) by inserting after paragraph (1) the following new paragraph:

''(2) The Secretary concerned may designate duty performed by a member while serving on a ship the primary mission of which is accomplished either while under way or in port as 'sea duty' for purposes of this section, even though the duty is performed while the member is permanently or temporarily assigned to a ship-based staff or other unit not covered by paragraph (1).''.

SEC. 621. MODIFICATION OF SELECTED RESERVE REENLISTMENT BONUS.

(a) ELIGIBLE MEMBERS.—Subsection (a)(1) of section 308b of title 37, United States Code, is amended by striking out ''ten years'' and inserting in lieu thereof ''14 years''.

(b) BONUS AMOUNTS; PAYMENT.—Subsection (b) of such section is amended to read as follows:

''(b) BONUS AMOUNTS; PAYMENT.—(1) The amount of a bonus under this section may not exceed—

''(A) $5,000, in the case of a member who reenlists or extends an enlistment for a period of six years;

''(B) $2,500, in the case of a member who, having never received a bonus under this section, reenlists or extends an enlistment for a period of three years; and

''(C) $2,000, in the case of a member who, having received a bonus under this section for a previous three-year reenlistment or extension of an enlistment, reenlists or extends the enlistment for an additional period of three years.

''(2) Any bonus payable under this section shall be disbursed in one initial payment of an amount not to exceed one-half of the total amount of the bonus and subsequent periodic partial payments of the balance of the bonus. The Secretary concerned shall prescribe the amount of each partial payment and the schedule for making the partial payments.''.

(c) SPECIAL ELIGIBILITY REQUIREMENTS; NUMBER OF INDIVIDUAL BONUSES.—Subsection (c) of such section is amended to read as follows:

''(c) CONDITION ON ELIGIBILITY; LIMITATION ON NUMBER OF BONUSES.—(1) To be eligible for a second bonus under this section in the amount specified in subsection (b)(1)(C), a member must—

''(A) enter into the subsequent reenlistment or extension of an enlistment for a period of three years not later than the date on which the enlistment or extension for which the first bonus was paid would expire; and

''(B) still satisfy the designated skill or unit requirements required under subsection (a)(2).

''(2) A member may not be paid more than one six-year bonus or two three-year bonuses under this section.''.

(d) EFFECT OF FAILURE TO SERVE SATISFACTORILY.—Subsection (d) of such section is amended to read as follows:

''(d) REPAYMENT OF BONUS.—A member who receives a bonus under this section and who fails, during the period for which the bonus was paid, to serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount that bears the same ratio to the amount of the bonus paid to the member as the period that the member failed to serve satisfactorily bears to the total period for which the bonus was paid.''.

(e) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''AUTHORITY AND ELIGIBILITY REQUIREMENTS.—'' after ''(a)'';

(2) in subsection (e), by inserting ''REGULATIONS.—'' after ''(e)''; and

(3) in subsection (f), by inserting ''TERMINATION OF AUTHORITY.—'' after ''(f)''.

SEC. 622. MODIFICATION OF SELECTED RESERVE ENLISTMENT BONUS FOR FORMER ENLISTED MEMBERS.

(a) ELIGIBLE PERSONS.—Subsection (a)(2) of section 308i of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking out ''10 years'' and inserting in lieu thereof ''14 years'';

(2) in subparagraph (C), by striking out ''and'';

(3) by redesignating subparagraph (D) as subparagraph (E);

(4) in subparagraph (E) (as so redesignated), by inserting ''(except under this section)'' after ''bonus''; and

(5) by inserting after subparagraph (C) the following new subparagraph:

''(D) is projected to occupy a position as a member of the Selected Reserve in a specialty in which—

''(i) the person successfully served while a member on active duty; and

''(ii) the person attained a level of qualification while a member on active duty commensurate with the grade and years of service of the member; and''.

(b) BONUS AMOUNTS; PAYMENT.—Subsection (b) of such section is amended to read as follows:

''(b) BONUS AMOUNTS; PAYMENT.—(1) The amount of a bonus under this section may not exceed—

''(A) $5,000, in the case of a person who enlists for a period of six years;

''(B) $2,500, in the case of a person who, having never received a bonus under this section, enlists for a period of three years; and

''(C) $2,000, in the case of a person who, having received a bonus under this section for a previous three-year enlistment, reenlists or extends the enlistment for an additional period of three years.

''(2) Any bonus payable under this section shall be disbursed in one initial payment of an amount not to exceed one-half of the total amount of the bonus and subsequent periodic partial payments of the balance of the bonus. The Secretary concerned shall prescribe the amount of each partial payment and the schedule for making the partial payments.''.

(c) SPECIAL ELIGIBILITY REQUIREMENTS; NUMBER OF INDIVIDUAL BONUSES.—Subsection (c) of such section is amended to read as follows:

''(c) CONDITION ON ELIGIBILITY; LIMITATION ON NUMBER OF BONUSES.—(1) To be eligible for a second bonus under this section in the amount specified in subsection (b)(1)(C), a person must—

''(A) enter into a reenlistment or extension of an enlistment for a period of three years not later than the date on which the enlistment for which the first bonus was paid would expire; and

''(B) still satisfy the eligibility requirements under subsection (a).

''(2) A person may not be paid more than one six-year bonus or two three-year bonuses under this section.

(d) REORGANIZATION OF SECTION.—Such section is further amended—

(1) by redesignating subsections (e), (f), and (g) as paragraphs (2), (3), and (4), respectively, of subsection (d); and

(2) by redesignating subsections (h) and (i) as subsections (e) and (f), respectively.

(e) CONFORMING AND CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''AUTHORITY AND ELIGIBILITY REQUIREMENTS.—'' after ''(a)'';

(2) in subsection (d)—

(A) by inserting ''REPAYMENT OF BONUS.—(1)'' after ''(d)'';

(B) in paragraphs (2) and (4), as redesignated by subsection (d)(1), by striking out ''subsection (d)'' and inserting in lieu thereof ''paragraph (1)''; and

(C) in paragraph (3), as redesignated by subsection (d)(1)—

(i) by striking out ''subsection (h)'' and inserting in lieu thereof ''subsection (e)''; and

(ii) by striking out ''subsection (d)'' and inserting in lieu thereof ''paragraph (1)'';

(3) in subsection (e), as redesignated by subsection (d)(2), by inserting ''REGULATIONS.—'' after ''(e)''; and

(4) in subsection (f), as redesignated by subsection (d)(2), by inserting ''TERMINATION OF AUTHORITY.—'' after ''(f)''.

SEC. 623. EXPANSION OF RESERVE AFFILIATION BONUS TO INCLUDE COAST GUARD RESERVE.

Section 308e of title 37, United States Code, is amended—

(1) in subsection (a), by striking out ''Under regulations prescribed by the Secretary of Defense, the Secretary of a military department'' and inserting in lieu thereof ''The Secretary concerned'';

(2) in subsection (b)(3), by striking out ''designated by the Secretary of Defense for the purposes of this section'' and inserting in lieu thereof ''designated for purposes of this section in the regulations prescribed under subsection (f)'';

(3) in subsection (c)(3), by striking out ''regulations prescribed by the Secretary of Defense'' and inserting in lieu thereof ''the regulations prescribed under subsection (f)''; and

(4) by adding at the end the following new subsections:

''(f) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under the jurisdiction of the Secretary of Defense and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

''(g) The authority in subsection (a) does not apply to the Secretary of Commerce and the Secretary of Health and Human Services.''.

SEC. 624. INCREASE IN SPECIAL PAY AND BONUSES FOR NUCLEAR-QUALIFIED OFFICERS.

(a) SPECIAL PAY FOR OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(a) of title 37, United States Code, is amended by striking out ''$12,000'' and inserting in lieu thereof ''$15,000''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(a)(1) of title 37, United States Code, is amended by striking out ''$8,000'' and inserting in lieu thereof ''$10,000''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUSES.—Section 312c of title 37, United States Code, is amended—

(1) in subsection (a)(1), by striking out ''$10,000'' and inserting in lieu thereof ''$12,000''; and

(2) in subsection (b)(1), by striking out ''$4,500'' and inserting in lieu thereof ''$5,500''.

(d) EFFECTIVE DATE.—(1) The amendments made by this section shall take effect as of October 1, 1997.

(2) The amendments made by subsections (a) and (b) shall apply with respect to agreements accepted under sections 312(a) and 312b(a), respectively, of title 37, United States Code, on or after October 1, 1997.

SEC. 625. PROVISION OF BONUSES IN LIEU OF SPECIAL PAY FOR ENLISTED MEMBERS EXTENDING TOURS OF DUTY AT DESIGNATED LOCATIONS OVERSEAS.

(a) INCLUSION OF BONUS INCENTIVE.—(1) Section 314 of title 37, United States Code, is amended to read as follows:

''§314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas

''(a) COVERED MEMBERS.—This section applies with respect to an enlisted member of an armed force who—

''(1) is entitled to basic pay;

''(2) has a specialty that is designated by the Secretary concerned for the purposes of this section;

''(3) has completed a tour of duty (as defined in accordance with regulations prescribed by the Secretary concerned) at a location outside the 48 contiguous States and the District of Columbia that is designated by the Secretary concerned for the purposes of this section; and

''(4) at the end of that tour of duty executes an agreement to extend that tour for a period of not less than one year.

''(b) SPECIAL PAY OR BONUS AUTHORIZED.—Upon the acceptance by the Secretary concerned of the agreement providing for an extension of the tour of duty of an enlisted member described in subsection (a), the member is entitled, at the election of the Secretary concerned, to either—

''(1) special pay in monthly installments in an amount prescribed by the Secretary, but not to exceed $80 per month; or

''(2) an annual bonus in an amount prescribed by the Secretary, but not to exceed $2,000 per year.

''(c) SELECTION AND PAYMENT OF SPECIAL PAY OR BONUS.—Not later than the date on which the Secretary concerned accepts an agreement described in subsection (a)(4) providing for the extension of a member's tour of duty, the Secretary concerned shall notify the member regarding whether the member will receive special pay or a bonus under this section. The payment rate for the special pay or bonus shall be fixed at the time of the agreement and may not be changed during the period of the extended tour of duty. The Secretary concerned may pay a bonus under this section either in a lump sum or installments.

''(d) REPAYMENT OF BONUS.—(1) A member who, having entered into a written agreement to extend a tour of duty for a period under subsection (a), receives a bonus payment under subsection (b)(2) for a 12-month period covered by the agreement and ceases during that 12-month period to perform the agreed tour of duty shall refund to the United States the unearned portion of the bonus. The unearned portion of the bonus is the amount by which the amount of the bonus paid to the member exceeds the amount determined by multiplying the amount of the bonus paid by the percent determined by dividing 12 into the number of full months during which the member performed the duty in the 12-month period.

''(2) The Secretary concerned may waive the obligation of a member to reimburse the United States under paragraph (1) if the Secretary determines that conditions and circumstances warrant the waiver.

''(3) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement does not discharge the member signing the agreement from a debt arising under the agreement or under paragraph (1). This paragraph applies to any case commenced under title 11 on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998.

''(e) EFFECT OF REST AND RECUPERATIVE ABSENCE.—A member who elects to receive one of the benefits specified in section 705(b) of title 10 as part of the extension of a tour of duty is not entitled to the special pay authorized by subsection (b)(1) for the period of the extension of duty for which the benefit under such section is provided.''.

(2) The item relating to section 314 in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

''314. Special pay or bonus: qualified enlisted members extending duty at designated locations overseas.''.

(b) APPLICATION OF AMENDMENT.—Section 314 of title 37, United States Code, as amended by subsection (a), shall apply with respect to an agreement to extend a tour of duty as provided in such section executed on or after October 1, 1997.

SEC. 626. INCREASE IN AMOUNT OF FAMILY SEPARATION ALLOWANCE.

Section 427 of title 37, United States Code (as amended by section 603), is further amended in subsection (a)(1) by striking out ''$75'' and inserting in lieu thereof ''$100''.

SEC. 627. DEADLINE FOR PAYMENT OF READY RESERVE MUSTER DUTY ALLOWANCE.

Section 433(c) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out ''and shall be'' and all that follows through ''is performed''; and

(2) by inserting after the first sentence the following new sentence: ''The allowance may be paid to the member before, on, or after the date on which the muster duty is performed, but not later than 30 days after that date.''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS BEFORE APPROVAL OF MEMBER'S COURT-MARTIAL SENTENCE.

Section 406(h)(2)(C) of title 37, United States Code, is amended by striking out the comma at the end of clause (iii) and all that follows through ''title 10.'' and inserting in lieu thereof a period.

SEC. 632. DISLOCATION ALLOWANCE.

(a) IN GENERAL.—Section 407 of title 37, United States Code, is amended to read as follows:

''§ 407. Travel and transportation allowances: dislocation allowance

''(a) ELIGIBILITY FOR PRIMARY DISLOCATION ALLOWANCE.—(1) Under regulations prescribed by the Secretary concerned, a member of a uniformed service described in paragraph (2) is entitled to a primary dislocation allowance at the rate determined under subsection (c) for the member's pay grade and dependency status.

''(2) A member of the uniformed services referred to in paragraph (1) is any of the following:

''(A) A member who makes a change of permanent station and the member's dependents actually make an authorized move in connection with the change, including a move by the dependents—

''(i) to join the member at the member's duty station after an unaccompanied tour of duty when the member's next tour of duty is an accompanied tour at the same station; and

''(ii) to a location designated by the member after an accompanied tour of duty when the member's next tour of duty is an unaccompanied tour at the same duty station.

''(B) A member whose dependents actually move pursuant to section 405a(a), 406(e), 406(h), or 554 of this title.

''(C) A member whose dependents actually move from their place of residence under circumstances described in section 406a of this title.

''(D) A member who is without dependents and—

''(i) actually moves to a new permanent station where the member is not assigned to quarters of the United States; or

''(ii) actually moves from a place of residence under circumstances described in section 406a of this title.

''(E) A member who is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.

''(3) If a primary dislocation allowance is paid under this subsection to a member described in subparagraph (C) or (D)(ii) of paragraph (2), the member is not entitled to another dislocation allowance as a member described in subparagraph (A) or (E) of such paragraph in connection with the same move.

''(b) SECONDARY ALLOWANCE AUTHORIZED UNDER CERTAIN CIRCUMSTANCES.—(1) Under regulations prescribed by the Secretary concerned, whenever a member is entitled to a primary dislocation allowance under subsection (a) as a member described in paragraph (2)(C) or (2)(D)(ii) of such subsection, the member is also entitled to a secondary dislocation allowance at the rate determined under subsection (c) for the member's pay grade and dependency status if, subsequent to the member or the member's dependents actually moving from their place of residence under circumstances described in section 406a of this title, the member or member's dependents complete that move to a new location and then actually move from that new location to another location also under circumstances described in section 406a of this title.

''(2) If a secondary dislocation allowance is paid under this subsection, the member is not entitled to a dislocation allowance as a member described in paragraph (2)(A) or (2)(E) of subsection (a) in connection with those moves.

''(c) DISLOCATION ALLOWANCE RATES.—(1) The amount of the dislocation allowance to be paid under this section to a member shall be based on the member's pay grade and dependency status at the time the member becomes entitled to the allowance.

''(2) The initial rate for the dislocation allowance, for each pay grade and dependency status, shall be equal to the rate in effect for that pay grade and dependency status on December 31, 1997, as adjusted by the average percentage increase in the rates of basic pay for calendar year 1998. Effective on the same date that the monthly rates of basic pay for members are increased for a subsequent calendar year, the Secretary of Defense shall adjust the rates for the dislocation allowance for that calendar year by the percentage equal to the average percentage increase in the rates of basic pay for that calendar year.

''(d) FISCAL YEAR LIMITATION; EXCEPTIONS.—(1) A member is not entitled to more than one dislocation allowance under this section during a fiscal year unless—

''(A) the Secretary concerned finds that the exigencies of the service require the member to make more than one change of permanent station during the fiscal year;

''(B) the member is ordered to a service school as a change of permanent station;

''(C) the member's dependents are covered by section 405a(a), 406(e), 406(h), or 554 of this title; or

''(D) subparagraph (C) or (D)(ii) of subsection (a)(2) or subsection (b) apply with respect to the member or the member's dependents.

''(2) This subsection does not apply in time of national emergency or in time of war.

''(e) FIRST OR LAST DUTY.—A member is not entitled to payment of a dislocation allowance under this section when the member is ordered from the member's home to the member's first duty station or from the member's last duty station to the member's home.

''(f) RULE OF CONSTRUCTION.—For purposes of this section, a member whose dependents may not make an authorized move in connection with a change of permanent station is considered a member without dependents.

''(g) ADVANCE PAYMENT.—A dislocation allowance payable under this section may be paid in advance.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1998.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 641. ONE-YEAR OPPORTUNITY TO DISCONTINUE PARTICIPATION IN SURVIVOR BENEFIT PLAN.

(a) ELECTION TO DISCONTINUE WITHIN ONE YEAR AFTER SECOND ANNIVERSARY OF COMMENCEMENT OF PAYMENT OF RETIRED PAY.—(1) Subchapter II of chapter 73 of title 10, United States Code, is amended by inserting after section 1448 the following new section:

''§ 1448a. Election to discontinue participation: one-year opportunity after second anniversary of commencement of payment of retired pay

''(a) AUTHORITY.—A participant in the Plan may, subject to the provisions of this section, elect to discontinue participation in the Plan at any time during the one-year period beginning on the second anniversary of the date on which payment of retired pay to the participant commences.

''(b) CONCURRENCE OF SPOUSE.—

''(1) CONCURRENCE REQUIRED.—A married participant may not (except as provided in paragraph (2)) make an election under subsection (a) without the concurrence of the participant's spouse.

''(2) EXCEPTIONS.—A participant may make such an election without the concurrence of the participant's spouse by establishing to the satisfaction of the Secretary concerned that one of the conditions specified in section 1448(a)(3)(C) of this title exists.

''(3) FORM OF CONCURRENCE.—The concurrence of a spouse under paragraph (1) shall be made in such written form and shall contain such information as may be required under regulations prescribed by the Secretary of Defense.

''(c) LIMITATION ON ELECTION WHEN FORMER SPOUSE COVERAGE IN EFFECT.—The limitation set forth in section 1450(f)(2) of this title applies to an election to discontinue participation in the Plan under subsection (a).

''(d) WITHDRAWAL OF ELECTION TO DISCONTINUE.—Section 1448(b)(1)(D) of this title applies to an election under subsection (a).

''(e) CONSEQUENCES OF DISCONTINUATION.—Section 1448(b)(1)(E) of this title applies to an election under subsection (a).

''(f) NOTICE TO AFFECTED BENEFICIARIES.—The Secretary concerned shall notify any former spouse or other natural person previously designated under section 1448(b) of this title of an election to discontinue participation under subsection (a).

''(g) EFFECTIVE DATE OF ELECTION.—An election under subsection (a) is effective as of the first day of the first calendar month following the month in which the election is received by the Secretary concerned.

''(h) INAPPLICABILITY OF IRREVOCABILITY PROVISIONS.—Paragraphs (4)(B) and (5)(C) of section 1448(a) of this title do not apply to prevent an election under subsection (a).''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1448 the following new item:

''1448a. Election to discontinue participation: one-year opportunity after second anniversary of commencement of payment of retired pay.''.

(b) TRANSITION PROVISION FOR CURRENT PARTICIPANTS.—Notwithstanding the limitation on the time for making an election under section 1448a of title 10, United States Code (as added by subsection (a)), that is specified in subsection (a) of such section, a participant in the Survivor Benefit Plan under subchapter II of chapter 73 of such title may make an election in accordance with that section within one year after the effective date of that section under subsection (c) if the second anniversary of the commencement of payment of retired pay to the participant precedes that effective date.

(c) EFFECTIVE DATE.—Section 1448a of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act.

SEC. 642. TIME IN WHICH CHANGE IN SURVIVOR BENEFIT COVERAGE FROM FORMER SPOUSE TO SPOUSE MAY BE MADE.

(a) EXTENSION OF TIME FOR CHANGE.—Section 1450(f)(1)(C) of title 10, United States Code, is amended by adding at the end the following new sentence: ''Notwithstanding the preceding sentence, a change of election under this subsection to provide an annuity to a spouse instead of a former spouse may (subject to paragraph (2)) be made at any time after the person providing the annuity remarries without regard to the time limitation in section 1448(a)(5)(B) of this title.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to marriages occurring before, on, or after the date of the enactment of this Act.

SEC. 643. REVIEW OF FEDERAL FORMER SPOUSE PROTECTION LAWS.

(a) REVIEW REQUIRED.—The Secretary of Defense shall carry out a comprehensive review (including a comparison) of—

(1) the protections, benefits, and treatment afforded under Federal law to members and former members of the uniformed services and former spouses of such persons; and

(2) the protections, benefits, and treatment afforded under Federal law to employees and former employees of the Government and former spouses of such persons.

(b) MILITARY PERSONNEL MATTERS TO BE REVIEWED.—In the case of members and former members of the uniformed services and former spouses of such persons, the review under subsection (a) shall include the following:

(1) All provisions of law (principally those originally enacted in the Uniformed Services Former Spouses' Protection Act (title X of Public Law 97–252)) that—

(A) establish, provide for the enforcement of, or otherwise protect interests of members and former members of the uniformed services and former spouses of such persons in retired or retainer pay of members and former members; or

(B) provide other benefits for members and former members of the uniformed services and former spouses of such persons.

(2) The experience of the uniformed services in administering those provisions of law, including the adequacy and effectiveness of the legal assistance provided by the Department of Defense in matters related to the Uniformed Services Former Spouses' Protection Act.

(3) The experience of members and former members of the uniformed services and former spouses of such persons in the administration of those provisions of law.

(4) The experience of members and former members of the uniformed services and former spouses of such persons in the application of those provisions of law by State courts.

(5) The history of State statutes and State court interpretations of the Uniformed Services Former Spouses' Protection Act and other provisions of Federal law described in paragraph (1)(A) and the extent to which those interpretations follow those laws.

(c) CIVILIAN PERSONNEL MATTERS TO BE REVIEWED.—In the case of former spouses of employees and former employees of the Government, the review under subsection (a) shall include the following:

(1) All provisions of law that—

(A) establish, provide for the enforcement of, or otherwise protect interests of employees and former employees of the Government and former spouses of such persons in annuities of employees and former employees under Federal employees' retirement systems; or

(B) provide other benefits for employees and former employees of the Government and former spouses of such persons.

(2) The experience of the Office of Personnel Management and other agencies of the Government in administering those provisions of law.

(3) The experience of employees and former employees of the Government and former spouses of such persons in the administration of those provisions of law.

(4) The experience of employees and former employees of the Government and former spouses of such persons in the application of those provisions of law by State courts.

(d) SAMPLING AUTHORIZED.—The Secretary may use sampling in carrying out the review under this section.

(e) REPORT.—Not later than September 30, 1999, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the review under subsection (a). The report shall include any recommendations for legislation that the Secretary considers appropriate.

SEC. 644. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) SURVIVOR ANNUITY.—(1) The Secretary concerned shall pay an annuity to the qualified surviving spouse of each member of the uniformed services who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of this section is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) AMOUNT OF ANNUITY.—(1) An annuity under this section shall be paid at the rate of $165 per month, as adjusted from time to time under paragraph (3).

(2) An annuity paid to a surviving spouse under this section shall be reduced by the amount of any dependency and indemnity compensation (DIC) to which the surviving spouse is entitled under section 1311(a) of title 38, United States Code.

(3) Whenever after the date of the enactment of this Act retired or retainer pay is increased under section 1401a(b)(2) of title 10, United States Code, each annuity that is payable under this section shall be increased at the same time and by the same total percent. The amount of the increase shall be based on the amount of the monthly annuity payable before any reduction under this section.

(c) APPLICATION REQUIRED.—No benefit shall be paid to any person under this section unless an application for such benefit is filed with the Secretary concerned by or on behalf of such person.

(d) DEFINITIONS.—For purposes of this section:

(1) The terms ''uniformed services'' and ''Secretary concerned'' have the meanings given such terms in section 101 of title 37, United States Code.

(2) The term ''surviving spouse'' has the meaning given the terms ''widow'' and ''widower'' in paragraphs (3) and (4) of section 1447 of title 10, United States Code.

(e) PROSPECTIVE APPLICABILITY.—(1) Annuities under this section shall be paid for months beginning after the month in which this Act is enacted.

(2) No benefit shall accrue to any person by reason of the enactment of this section for any period before the first month that begins after the month in which this Act is enacted.

(f) EXPIRATION OF AUTHORITY.—The authority to pay annuities under this section shall expire on September 30, 2001.

SEC. 645. ADMINISTRATION OF BENEFITS FOR SO-CALLED MINIMUM INCOME WIDOWS.

(a) PAYMENTS TO BE MADE BY SECRETARY OF VETERANS AFFAIRS.—Section 653(d) of the National Defense Authorization Act, Fiscal Year 1989 (10 U.S.C. 1448 note) is amended—

(1) by inserting ''(1)'' before ''An annuity'' the first place it appears; and

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

''(2) Payment of annuities under this section shall be made by the Secretary of Veterans Affairs. In making such payments, the Secretary shall combine the payment under this section with the payment of any amount due the same person under section 4 of Public Law 92–425 (10 U.S.C. 1448 note), as provided in subsection (e)(1) of that section. The Secretary concerned shall transfer amounts for payments under this section to the Secretary of Veterans Affairs in the same manner as is provided under subsection (e)(2) of section 4 of Public Law 92–425 for payments under that section.''.

(b) COMBINATION WITH OTHER BENEFITS.—Section 4(e)(1) of Public Law 92–425 (10 U.S.C. 1448 note) is amended—

(1) by inserting after the first sentence the following new sentence: ''In making such payments, the Secretary shall combine with the payment under this section payment of any amount due the same person under section 653(d) of the National Defense Authorization Act, Fiscal Year 1989 (10 U.S.C. 1448 note).''; and

(2) by inserting ''(and, if applicable, under section 653(d) of the National Defense Authorization Act, Fiscal Year 1989)'' after ''under this section''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the first day of the first month beginning after the date of the enactment of this Act and shall apply with respect to payments of benefits for months beginning on or after that date, except that the Secretary of Veterans Affairs may provide, if necessary for administrative implementation, that such amendments shall apply beginning with a later month, not later than the first month beginning more than 180 days after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 651. LOAN REPAYMENT PROGRAM FOR COMMISSIONED OFFICERS IN CERTAIN HEALTH PROFESSIONS.

(a) Chapter 109 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2173. Education loan repayment program: commissioned officers in specified health professions

''(a) AUTHORITY TO REPAY EDUCATION LOANS.—For the purpose of maintaining adequate numbers of commissioned officers of the armed forces on active duty who are qualified in the various health professions, the Secretary of a military department may repay, in the case of a person described in subsection (b), a loan that—

''(1) was used by the person to finance education regarding a health profession; and

''(2) was obtained from a governmental entity, private financial institution, school, or other authorized entity.

''(b) ELIGIBLE PERSONS.—To be eligible to obtain a loan repayment under this section, a person must—

''(1) satisfy one of the requirements specified in subsection (c);

''(2) be fully qualified for, or hold, an appointment as a commissioned officer in one of the health professions; and

''(3) sign a written agreement to serve on active duty, or, if on active duty, to remain on active duty for a period in addition to any other incurred active duty obligation.

''(c) ACADEMIC AND PROFESSIONAL REQUIREMENTS.—One of the following academic requirements must be satisfied for purposes of determining the eligibility of a person for a loan repayment under this section:

''(1) The person is fully qualified in a health care profession that the Secretary of the military department concerned has determined to be necessary to meet identified skill shortages.

''(2) The person is enrolled as a full-time student in the final year of a course of study at an accredited educational institution leading to a degree in a health profession other than medicine or osteopathic medicine.

''(3) The person is enrolled in the final year of an approved graduate program leading to specialty qualification in medicine, dentistry, osteopathic medicine, or other health profession.

''(d) CERTAIN PERSONS INELIGIBLE.—Participants of the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of this title and students of the Uniformed Services University of the Health Sciences established under section 2112 of this title are not eligible for the repayment of an education loan under this section.

''(e) LOAN REPAYMENTS.—(1) Subject to the limits established by paragraph (2), a loan repayment under this section may consist of payment of the principal, interest, and related expenses of a loan obtained by a person described in subsection (b) for—

''(A) all educational expenses, comparable to all educational expenses recognized under section 2127(a) of this title for participants in the

Armed Forces Health Professions Scholarship and Financial Assistance program; and

''(B) reasonable living expenses, not to exceed expenses comparable to the stipend paid under section 2121(d) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

''(2) For each year of obligated service that a person agrees to serve in an agreement described in subsection (b)(3), the Secretary of the military department concerned may pay not more than $22,000 on behalf of the person. This maximum amount shall be increased annually by the Secretary of Defense effective October 1 of each year by the percentage equal to the percent increase in the average annual cost of educational expenses and stipend costs of a single scholarship under the Armed Forces Health Professions Scholarship and Financial Assistance program. The total amount that may be repaid on behalf of any person may not exceed an amount determined on the basis of a four-year active duty service obligation.

''(f) ACTIVE DUTY SERVICE OBLIGATION.—(1) A person entering into an agreement described in subsection (b)(3) incurs an active duty service obligation. The length of this obligation shall be determined under regulations prescribed by the Secretary of Defense, but those regulations may not provide for a period of obligation of less than one year for each maximum annual amount, or portion thereof, paid on behalf of the person for qualified loans.

''(2) For persons on active duty before entering into the agreement, the active duty service obligation shall be served consecutively to any other obligation incurred under the agreement.

''(g) EFFECT OF FAILURE TO COMPLETE OBLIGATION.—A commissioned officer who is relieved of the officer's active duty obligation under this section before the completion of that obligation may be given, with or without the consent of the officer, any alternative obligation comparable to any of the alternative obligations authorized by section 2123(e) of this title for participants in the Armed Forces Health Professions Scholarship and Financial Assistance program.

''(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section, including standards for qualified loans and authorized payees and other terms and conditions for the making of loan repayments.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2173. Education loan repayment program: commissioned officers in specified health professions.''.

SEC. 652. CONFORMANCE OF NOAA COMMISSIONED OFFICERS SEPARATION PAY TO SEPARATION PAY FOR MEMBERS OF OTHER UNIFORMED SERVICES.

(a) ELIMINATION OF LIMITATIONS ON AMOUNT OF SEPARATION PAY.—Section 9 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853h) is amended—

(1) in subsection (b)(1), by striking out '', or $30,000, whichever is less'';

(2) in subsection (b)(2), by striking out '', but in no event more than $15,000''; and

(3) in subsection (d), by striking out ''(1)'', and by striking out paragraph (2).

(b) WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY.—Section 9(e)(2) of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853h(e)(2)) is amended in the first sentence by inserting before the period at the end the following: '', less the amount of Federal income tax withheld from such pay (such withholding being at the flat withholding rate for Federal income tax withholding, as in effect pursuant to regulations prescribed under chapter 24 of the Internal Revenue Code of 1986)''.

(c) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect as of October 1, 1997, and shall apply to payments of separation pay that are made after September 30, 1997.

SEC. 653. ELIGIBILITY OF PUBLIC HEALTH SERVICE OFFICERS AND NOAA COMMISSIONED CORPS OFFICERS FOR REIMBURSEMENT OF ADOPTION EXPENSES.

(a) PUBLIC HEALTH SERVICE.—Section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) is amended by adding at the end the following new paragraph:

''(16) Section 1052, Reimbursement for adoption expenses.''.

(b) NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—Section 3(a) of the Act of August 10, 1956 (33 U.S.C. 857a(a)), is amended by adding at the end the following new paragraph:

''(16) Section 1052, Reimbursement for adoption expenses.''.

(c) PROSPECTIVE APPLICABILITY.—The amendments made by this section shall apply only to adoptions that are completed on or after the date of the enactment of this Act.

SEC. 654. PAYMENT OF BACK QUARTERS AND SUBSISTENCE ALLOWANCES TO WORLD WAR II VETERANS WHO SERVED AS GUERRILLA FIGHTERS IN THE PHILIPPINES.

(a) IN GENERAL.—The Secretary of the military department concerned shall pay, upon request, to an individual described in subsection (b) the amount determined with respect to that individual under subsection (c).

(b) COVERED INDIVIDUALS.—A payment under subsection (a) shall be made to any individual who as a member of the Armed Forces during World War II—

(1) was captured within the territory of the Philippines by Japanese forces;

(2) escaped from captivity; and

(3) served as a guerrilla fighter in the Philippines during the period from January 1942 through February 1945.

(c) AMOUNT TO BE PAID.—The amount of a payment under subsection (a) shall be the amount of quarters and subsistence allowance which accrued to an individual described in subsection (b) during the period specified in paragraph (3) of subsection (b) and which was not paid to that individual. For the purposes of this subsection, the Secretary of War shall be deemed to have determined that conditions in the Philippines during the specified period justified payment under applicable regulations of quarters and subsistence allowances at the maximum special rate for duty where emergency conditions existed. The Secretary shall apply interest compounded at the three-month Treasury bill rate.

(d) PAYMENT TO SURVIVORS.—In the case of any individual described in subsection (b) who is deceased, payment under this section with respect to that individual shall be made to that individual's nearest surviving relative, as determined by the Secretary concerned.

SEC. 655. SUBSISTENCE OF MEMBERS OF THE ARMED FORCES ABOVE THE POVERTY LEVEL.

(a) STUDY AND REPORT.—(1) The Secretary of Defense shall conduct a study of members of the Armed Forces and their families who subsist at, near, or below the poverty level. The study shall include the following:

(A) An analysis of potential solutions for ensuring that members of the Armed Forces and their families do not have to subsist at, near, or below the poverty level, including potential solutions involving changes in the system of allowances for members.

(B) Identification of the military populations most likely to need income support under Federal Government programs, including—

(i) the populations living in areas of the United States where housing costs are notably high;

(ii) the populations living outside the United States; and

(iii) the number of persons in each identified population.

(C) The desirability of increasing rates of basic pay and allowances for members over a defined period of years by a range of percentages that provides for higher percentage increases for lower ranking members than for higher ranking members.

(2) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the results of the study and such recommendations as the Secretary considers to be appropriate.

(b) IMPLEMENTATION OF DEPARTMENT OF DEFENSE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR PERSONNEL OUTSIDE THE UNITED STATES.—(1) Subsection (b) of section 1060a of title 10, United States Code, is amended to read as follows:

''(b) FEDERAL PAYMENTS AND COMMODITIES.—For the purpose of obtaining Federal payments and commodities in order to carry out the program referred to in subsection (a), the Secretary of Agriculture shall make available to the Secretary of Defense the same payments and commodities as are made for the special supplemental food program in the United States under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786). The Secretary of Defense may use funds available for the Department of Defense to carry out the program under subsection (a).''.

(2) Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report regarding the intentions of the Secretary regarding implementation of the program authorized under section 1060a of title 10, United States Code, including any plans to implement the program.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Expansion of retiree dental insurance plan to include surviving spouse and child dependents of certain deceased members.

Sec. 702. Provision of prosthetic devices to covered beneficiaries.

Sec. 703. Study concerning the provision of comparative information.

Subtitle B—TRICARE Program

Sec. 711. Addition of definition of TRICARE program to title 10.

Sec. 712. Plan for expansion of managed care option of TRICARE program.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Implementation of designated provider agreements for Uniformed Services Treatment Facilities.

Sec. 722. Continued acquisition of reduced-cost drugs.

Sec. 723. Limitation on total payments.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Sec. 731. Improvements in health care coverage and access for members assigned to certain duty locations far from sources of care.

Sec. 732. Waiver or reduction of copayments under overseas dental program.

Sec. 733. Premium collection requirements for medical and dental insurance programs; extension of deadline for implementation of dental insurance program for military retirees.

Sec. 734. Dental insurance plan coverage for retirees of the Public Health Service and NOAA.

Sec. 735. Consistency between CHAMPUS and Medicare in payment rates for services.

Sec. 736. Use of personal services contracts for provision of health care services and legal protection for providers.

Sec. 737. Portability of State licenses for Department of Defense health care professionals.

Sec. 738. Standard form and requirements regarding claims for payment for services.
Sec. 739. Chiropractic health care demonstration program.

Subtitle E—Other Matters

Sec. 741. Continued admission of civilians as students in physician assistant training program of Army Medical Department.
Sec. 742. Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency.
Sec. 743. Authority for agreement for use of medical resource facility, Alamogordo, New Mexico.
Sec. 744. Disclosures of cautionary information on prescription medications.
Sec. 745. Competitive procurement of certain ophthalmic services.
Sec. 746. Comptroller General study of adequacy and effect of maximum allowable charges for physicians under CHAMPUS.
Sec. 747. Comptroller General study of Department of Defense pharmacy programs.
Sec. 748. Comptroller General study of Navy graduate medical education program.
Sec. 749. Study of expansion of pharmaceuticals by mail program to include additional Medicare-eligible covered beneficiaries.
Sec. 750. Comptroller General study of requirement for military medical facilities in National Capital Region.
Sec. 751. Report on policies and programs to promote healthy lifestyles for members of the Armed Forces and their dependents.
Sec. 752. Sense of Congress regarding quality health care for retirees.

Subtitle F—Persian Gulf Illness

Sec. 761. Definitions.
Sec. 762. Plan for health care services for Persian Gulf veterans.
Sec. 763. Comptroller General study of revised disability criteria for physical evaluation boards.
Sec. 764. Medical care for certain reserves who served in Southwest Asia during the Persian Gulf War.
Sec. 765. Improved medical tracking system for members deployed overseas in contingency or combat operations.
Sec. 766. Notice of use of investigational new drugs or drugs unapproved for their applied use.
Sec. 767. Report on plans to track location of members in a theater of operations.
Sec. 768. Sense of Congress regarding the deployment of specialized units for detecting and monitoring chemical, biological, and similar hazards in a theater of operations.
Sec. 769. Report on effectiveness of research efforts regarding Gulf War illnesses.
Sec. 770. Persian Gulf illness clinical trials program.
Sec. 771. Sense of Congress concerning Gulf War illness.

Subtitle A—Health Care Services

SEC. 701. EXPANSION OF RETIREE DENTAL INSURANCE PLAN TO INCLUDE SURVIVING SPOUSE AND CHILD DEPENDENTS OF CERTAIN DECEASED MEMBERS.

Section 1076c(b)(4) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out ''dies'' and inserting in lieu thereof ''died''; and

(B) by striking out ''or'' at the end of the subparagraph;

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ''; or''; and

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

''(C) who died while on active duty for a period of more than 30 days and whose eligible dependents are not eligible, or no longer eligible, for dental benefits under section 1076a of this title pursuant to subsection (i)(2) of such section.''.

SEC. 702. PROVISION OF PROSTHETIC DEVICES TO COVERED BENEFICIARIES.

(a) INCLUSION AMONG AUTHORIZED CARE.—Subsection (a) of section 1077 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(15) Prosthetic devices, as determined by the Secretary of Defense to be necessary because of significant conditions resulting from trauma, congenital anomalies, or disease.''.

(b) CONFORMING AMENDMENT.—Subsection (b) of such section is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) Hearing aids, orthopedic footwear, and spectacles, except that, outside of the United States and at stations inside the United States where adequate civilian facilities are unavailable, such items may be sold to dependents at cost to the United States.''.

SEC. 703. STUDY CONCERNING THE PROVISION OF COMPARATIVE INFORMATION.

(a) STUDY.—The Secretary of Defense shall conduct a study concerning the provision of the information described in subsection (b) to beneficiaries under the TRICARE program established under the authority of chapter 55 of title 10, United States Code, and prepare and submit to Congress a report concerning such study.

(b) PROVISION OF COMPARATIVE INFORMATION.—Information described in this subsection, with respect to a managed care entity that contracts with the Secretary of Defense to provide medical assistance under the program described in subsection (a), shall include the following:

(1) The benefits covered by the entity involved, including—

(A) covered items and services beyond those provided under a traditional fee-for-service program;

(B) any beneficiary cost sharing; and

(C) any maximum limitations on out-of-pocket expenses.

(2) The net monthly premium, if any, under the entity.

(3) The service area of the entity.

(4) To the extent available, quality and performance indicators for the benefits under the entity (and how they compare to such indicators under the traditional fee-for-service programs in the area involved), including—

(A) disenrollment rates for enrollees electing to receive benefits through the entity for the previous two years (excluding disenrollment due to death or moving outside the service area of the entity);

(B) information on enrollee satisfaction;

(C) information on health process and outcomes;

(D) grievance procedures;

(E) the extent to which an enrollee may select the health care provider of their choice, including health care providers within the network of the entity and out-of-network health care providers (if the entity covers out-of-network items and services); and

(F) an indication of enrollee exposure to balance billing and the restrictions on coverage of items and services provided to such enrollee by an out-of-network health care provider.

(5) Whether the entity offers optional supplemental benefits and the terms and conditions (including premiums) for such coverage.

(6) An overall summary description as to the method of compensation of participating physicians.

Subtitle B—Tricare Program

SEC. 711. ADDITION OF DEFINITION OF TRICARE PROGRAM TO TITLE 10.

Section 1072 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(7) The term 'TRICARE program' means the managed health care program that is established by the Department of Defense under the authority of this chapter, principally section 1097 of this title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.''.

SEC. 712. PLAN FOR EXPANSION OF MANAGED CARE OPTION OF TRICARE PROGRAM.

(a) PLAN FOR EXPANSION OF TRICARE PRIME.—The Secretary of Defense shall prepare a plan for the expansion of the managed care option of the TRICARE Program, known as TRICARE Prime, into areas of the United States located outside of the catchment areas of medical treatment facilities of the uniformed services, but in which the managed care option is a cost-effective alternative because of—

(1) the significant number of members of the uniformed services and covered beneficiaries under chapter 55 of title 10, United States Code (including retired members of the Armed Forces and their dependents), who reside in the areas; and

(2) the presence in the areas of sufficient non-military health care provider networks.

(b) ALTERNATIVES.—As an alternative to expansion of TRICARE Prime to areas of the United States in which there are few or no non-military health care provider networks, the Secretary shall include in the plan required under subsection (a) an evaluation of the feasibility and cost-effectiveness of providing a member of the Armed Forces on active duty who is stationed in such an area, or whose dependents reside in such an area, with one or both of the following:

(1) A monetary stipend to assist the member in obtaining health care services for the member or the member's dependents.

(2) A reduction in the cost-sharing requirements applicable to the TRICARE program options otherwise available to the member to match the reduced cost-sharing responsibilities of the managed care option of the TRICARE program.

(c) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretary shall submit to Congress the plan required under subsection (a).

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. IMPLEMENTATION OF DESIGNATED PROVIDER AGREEMENTS FOR UNIFORMED SERVICES TREATMENT FACILITIES.

(a) COMMENCEMENT OF HEALTH CARE SERVICES UNDER AGREEMENT.—Subsection (c) of section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201, 10 U.S.C. 1073 note) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting ''(1)'' before ''Unless''; and

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

''(2) The Secretary may modify the effective date established under paragraph (1) for an agreement to permit a transition period of not more than six months between the date on which the agreement is executed by the parties and the date on which the designated provider commences the delivery of health care services under the agreement.''.

(b) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—Subsection (d) of such section is amended by inserting before the period at the end the following: '', including any transitional period provided by the Secretary under paragraph (2) of such subsection''.

SEC. 722. CONTINUED ACQUISITION OF REDUCED-COST DRUGS.

Section 722 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following new subsection:

''(g) CONTINUED ACQUISITION OF REDUCED-COST DRUGS.—A designated provider shall be treated as part of the Department of Defense for purposes of section 8126 of title 38, United States Code, in connection with the provision by the designated provider of health care services to covered beneficiaries pursuant to the participation agreement of the designated provider under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 42 U.S.C. 248c note) or pursuant to the agreement entered into under subsection (b).''.

SEC. 723. LIMITATION ON TOTAL PAYMENTS.

Section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following new sentence: ''In establishing the ceiling rate for enrollees with the designated providers who are also eligible for the Civilian Health and Medical Program of the Uniformed Services, the Secretary of Defense shall take into account the health status of the enrollees.''.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. IMPROVEMENTS IN HEALTH CARE COVERAGE AND ACCESS FOR MEMBERS ASSIGNED TO CERTAIN DUTY LOCATIONS FAR FROM SOURCES OF CARE.

(a) SUPPLEMENTAL CARE PROGRAM.—(1) Section 1074(c) of title 10, United States Code, is amended—

(A) by inserting ''(1)'' after ''(c)''; and

(B) by adding at the end the following new paragraphs:

''(2)(A) Subject to such exceptions as the Secretary of Defense considers necessary, coverage for medical care for members of the armed forces under this subsection, and standards with respect to timely access to such care, shall be comparable to coverage for medical care and standards for timely access to such care under the managed care option of the TRICARE program known as TRICARE Prime.

''(B) The Secretary of Defense shall enter into arrangements with contractors under the TRICARE program or with other appropriate contractors for the timely and efficient processing of claims under this subsection.

''(3)(A) The Secretary of Defense may not require a member of the armed forces described in subparagraph (B) to receive routine primary medical care at a military medical treatment facility.

''(B) A member referred to in subparagraph (A) is a member of the armed forces on active duty who is entitled to medical care under this subsection and who—

''(i) receives a duty assignment described in subparagraph (C); and

''(ii) pursuant to the assignment of such duty, resides at a location that is more than 50 miles, or approximately one hour of driving time, from the nearest military medical treatment facility adequate to provide the needed care.

''(C) A duty assignment referred to in subparagraph (B) means any of the following:

''(i) Permanent duty as a recruiter.

''(ii) Permanent duty at an educational institution to instruct, administer a program of instruction, or provide administrative services in support of a program of instruction for the Reserve Officers' Training Corps.

''(iii) Permanent duty as a full-time adviser to a unit of a reserve component.

''(iv) Any other permanent duty designated by the Secretary concerned for purposes of this paragraph.''.

(2) The amendments made by paragraph (1) shall apply with respect to coverage of medical care for, and the provision of such care to, a member of the Armed Forces under section 1074(c) of title 10, United States Code, on and after the later of the following:

(A) April 1, 1998.

(B) The date on which the TRICARE program is in place in the service area of the member.

(b) TEMPORARY AUTHORITY FOR MANAGED CARE EXPANSION TO MEMBERS ON ACTIVE DUTY AT CERTAIN REMOTE LOCATIONS.—(1) A member of the Armed Forces described in subsection (c) is entitled to receive care under the Civilian Health and Medical Program of the Uniformed Services. In connection with such care, the Secretary of Defense shall waive the obligation of the member to pay a deductible, copayment, or annual fee that would otherwise be applicable under that program for care provided to the members under the program.

(2) A member who is entitled under paragraph (1) to receive health care services under CHAMPUS shall receive such care from a network provider under the TRICARE program if such a provider is available in the service area of the member.

(3) Paragraph (1) shall take effect on the date of the enactment of this Act and shall expire with respect to a member upon the later of the following:

(A) The date that is one year after the date of the enactment of this Act.

(B) The date on which the amendments made by subsection (a) apply with respect to the coverage of medical care for, and provision of such care to, the member.

(c) ELIGIBLE MEMBERS.—A member referred to in subsection (b) is a member of the Armed Forces on active duty who—

(1) receives a duty assignment described in subsection (d); and

(2) pursuant to the assignment of such duty, resides at a location that is more than 50 miles, or approximately one hour of driving time, from—

(A) the nearest health care facility of the uniformed services adequate to provide the needed care under chapter 55 of title 10, United States Code; and

(B) the nearest source of the needed care that is available to the member under the TRICARE Prime plan.

(d) DUTY ASSIGNMENTS COVERED.—A duty assignment referred to in subsection (c)(1) means any of the following:

(1) Permanent duty as a recruiter.

(2) Permanent duty at an educational institution to instruct, administer a program of instruction, or provide administrative services in support of a program of instruction for the Reserve Officers' Training Corps.

(3) Permanent duty as a full-time adviser to a unit of a reserve component of the Armed Forces.

(4) Any other permanent duty designated by the Secretary concerned for purposes of this subsection.

(e) PAYMENT OF COSTS.—Deductibles, copayments, and annual fees not payable by a member by reason of a waiver granted under the regulations prescribed pursuant to subsection (b) shall be paid out of funds available to the Department of Defense for the Defense Health Program.

(f) DEFINITIONS.—In this section:

(1) The term ''TRICARE program'' has the meaning given that term in section 1072(7) of title 10, United States Code.

(2) The term ''TRICARE Prime plan'' means a plan under the TRICARE program that provides for the voluntary enrollment of persons for the receipt of health care services to be furnished in a manner similar to the manner in which health care services are furnished by health maintenance organizations.

SEC. 732. WAIVER OR REDUCTION OF COPAYMENTS UNDER OVERSEAS DENTAL PROGRAM.

Section 1076a(h) of title 10, United States Code, is amended—

(1) in the first sentence, by striking out ''Secretary'' and inserting in lieu thereof ''Secretary of Defense''; and

(2) by adding at the end the following new sentence: ''In the case of such an overseas dental plan, the Secretary may waive or reduce the copayments otherwise required by subsection (e) to the extent the Secretary determines appropriate for the effective and efficient operation of the plan.''.

SEC. 733. PREMIUM COLLECTION REQUIREMENTS FOR MEDICAL AND DENTAL INSURANCE PROGRAMS; EXTENSION OF DEADLINE FOR IMPLEMENTATION OF DENTAL INSURANCE PROGRAM FOR MILITARY RETIREES.

(a) PREMIUM COLLECTION FOR SELECTED RESERVE DENTAL INSURANCE.—Paragraph (3) of section 1076b(b) of title 10, United States Code, is amended to read as follows:

''(3) The Secretary of Defense shall establish procedures for the collection of the member's share of the premium for coverage by the dental insurance plan. To the maximum extent practicable, a member's share shall be deducted and withheld from the basic pay payable to the member for inactive duty training or basic pay payable to the member for active duty (if pay is available to the member). Such share shall be used to pay the premium for coverage by the dental insurance plan.''.

(b) PREMIUM COLLECTION FOR RETIREE DENTAL INSURANCE PLAN.—Paragraph (2) of section 1076c(c) of such title is amended to read as follows:

''(2) The Secretary of Defense shall establish procedures for the collection of the premiums charged for coverage by the dental insurance plan. To the maximum extent practicable, the premiums payable by a member entitled to retired pay shall be deducted and withheld from the retired pay of the member (if pay is available to the member).''.

(c) REPORT TO CONGRESS.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the premium collection procedures established pursuant to paragraph (3) of section 1076b(b) of title 10, United States Code, and paragraph (2) of section 1076c(c) of such title. The report shall describe the extent to which premium collections are made under such paragraphs through deductions and withholding from pay.

(d) LIMITATION ON IMPLEMENTATION OF ALTERNATIVE COLLECTION PROCEDURES.—The Secretary of Defense may not implement procedures for collecting premiums under section 1076b(b)(3) of title 10, United States Code, or section 1076c(c)(2) of such title other than by deductions and withholding from pay until 120 days after the date that the Secretary submits a report to Congress describing the justifications for implementing such alternative procedures.

(e) EXTENSION OF DEADLINE FOR IMPLEMENTATION OF DENTAL INSURANCE PLAN FOR MILITARY RETIREES.—Section 703(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2590) is amended by striking ''October 1, 1997'' and inserting ''April 1, 1998''.

SEC. 734. DENTAL INSURANCE PLAN COVERAGE FOR RETIREES OF THE PUBLIC HEALTH SERVICE AND NOAA.

(a) ELIGIBILITY.—(1) Subsection (a) of section 1076c of title 10, United States Code, is amended by striking out ''military retirees'' and inserting in lieu thereof ''retirees of the uniformed services''.

(2) Subsection (b)(1) of such section is amended by striking out ''Armed Forces'' and inserting in lieu thereof ''uniformed services''.

(b) OFFICIALS RESPONSIBLE.—(1) Subsection (a) of such section (as amended by subsection (a)) is further amended by inserting '', in consultation with the other administering Secretaries,'' after ''Secretary of Defense''.

(2) Subsection (h) of such section is amended by striking out ''Secretary of Transportation''

and inserting in lieu thereof ''other administering Secretaries''.

SEC. 735. CONSISTENCY BETWEEN CHAMPUS AND MEDICARE IN PAYMENT RATES FOR SERVICES.

(a) CONFORMITY BETWEEN RATES.—Section 1079(h) of title 10, United States Code, is amended by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following new paragraph:

''(1) Except as provided in paragraphs (2) and (3), payment for a charge for services by an individual health care professional (or other non-institutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be equal to an amount determined to be appropriate, to the extent practicable, in accordance with the same reimbursement rules as apply to payments for similar services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.). The Secretary of Defense shall determine the appropriate payment amount under this paragraph in consultation with the other administering Secretaries.''.

(b) REDUCED RATES AUTHORIZED.—Paragraph (5) of such section is amended by adding at the end the following new sentence: ''With the consent of the health care provider, the Secretary is also authorized to reduce the authorized payment for certain health care services below the amount otherwise required by the payment limitations under paragraph (1).''.

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in paragraph (5), by striking out ''paragraph (4), the Secretary'' and inserting in lieu thereof ''paragraph (2), the Secretary of Defense''; and

(2) by redesignating paragraphs (4), (5), and (6) as paragraphs (2), (3), and (4), respectively.

SEC. 736. USE OF PERSONAL SERVICES CONTRACTS FOR PROVISION OF HEALTH CARE SERVICES AND LEGAL PROTECTION FOR PROVIDERS.

(a) USE OF CONTRACTS OUTSIDE MEDICAL TREATMENT FACILITIES.—Section 1091(a) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''The Secretary of Defense''; and

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

''(2) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may also enter into personal services contracts to carry out other health care responsibilities of the Secretary (such as the provision of medical screening examinations at Military Entrance Processing Stations) at locations outside medical treatment facilities, as determined necessary pursuant to regulations prescribed by the Secretary. The Secretary may not enter into a contract under this paragraph after the end of the one-year period beginning on the date of the enactment of this paragraph.''.

(b) DEFENSE OF SUITS.—Section 1089 of such title is amended—

(1) in subsection (a), by adding at the end the following new sentence: ''This subsection shall also apply if the physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or the estate of such person) involved is serving under a personal services contract entered into under section 1091 of this title.''; and

(2) in subsection (f)—

(A) by inserting ''(1)'' after ''(f)''; and

(B) by adding at the end the following new paragraph:

''(2) With respect to the Secretary of Defense and the Armed Forces Retirement Home Board, the authority provided by paragraph (1) also includes the authority to provide for reasonable attorney's fees for persons described in subsection (a), as determined necessary pursuant to regulations prescribed by the head of the agency concerned.''.

(c) REPORT.—Not later than March 31, 1998, the Secretary of Defense shall submit to Congress a report on the feasible alternative means for performing the medical screening examinations that are routinely performed at Military Entrance Processing Stations. The report shall contain a discussion of the feasibility and cost of the use of—

(1) the TRICARE system for the performance of the examinations; and

(2) each other alternative identified in the report.

SEC. 737. PORTABILITY OF STATE LICENSES FOR DEPARTMENT OF DEFENSE HEALTH CARE PROFESSIONALS.

Section 1094 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

''(d)(1) Notwithstanding any law regarding the licensure of health care providers, a health-care professional described in paragraph (2) may practice the health profession or professions of the health-care professional in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States, regardless of whether the practice occurs in a health care facility of the Department of Defense, a civilian facility affiliated with the Department of Defense, or any other location authorized by the Secretary of Defense .

''(2) A health-care professional referred to in paragraph (1) is a member of the armed forces who—

''(A) has a current license to practice medicine, osteopathic medicine, dentistry, or another health profession; and

''(B) is performing authorized duties for the Department of Defense.''.

SEC. 738. STANDARD FORM AND REQUIREMENTS REGARDING CLAIMS FOR PAYMENT FOR SERVICES.

(a) CLARIFICATION OF EXISTING REQUIREMENTS.—Section 1106 of title 10, United States Code, is amended to read as follows:

''§1106. Submittal of claims: standard form; time limits

''(a) STANDARD FORM.—The Secretary of Defense, after consultation with the other administering Secretaries, shall prescribe by regulation a standard form for the submission of claims for the payment of health care services provided under this chapter.

''(b) TIME FOR SUBMISSION.—A claim for payment for services provided under this chapter shall be submitted as provided in such regulations not later than one year after the services are provided.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by striking out the item relating to section 1106 and inserting in lieu thereof the following new item:

''1106. Submittal of claims: standard form; time limits.''.

SEC. 739. CHIROPRACTIC HEALTH CARE DEMONSTRATION PROGRAM.

(a) TWO-YEAR EXTENSION.—Subsection (b) of section 731 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1092 note) is amended by striking out ''1997'' and inserting in lieu thereof ''1999''.

(b) EXPANSION TO AT LEAST THREE ADDITIONAL TREATMENT FACILITIES.—Subsection (a)(2)(A) of such section is amended by striking out ''not less than 10'' and inserting in lieu thereof ''the National Naval Medical Center, the Walter Reed Army Medical Center, and not less than 11 other''.

(c) REPORTS.—Subsection (c) of such section is amended—

(1) by striking paragraph (3); and

(2) by adding at the end the following new paragraphs:

''(3) Not later than January 30, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that identifies the additional treatment facilities designated to furnish chiropractic care under the program that were not so designated before the report required by paragraph (1) was prepared, together with the plan for the conduct of the program at the additional treatment facilities.

''(4) Not later than May 1, 1998, the Secretary of Defense shall modify the plan for evaluating the program submitted pursuant to paragraph (2) in order to provide for the evaluation of the program at all of the designated treatment facilities under the program, including the treatment facilities referred to in paragraph (3).

''(5) Not later than May 1, 2000, the Secretary shall submit to the committees referred to in paragraph (3) a final report in accordance with the plan submitted pursuant to paragraph (2).''.

Subtitle E—Other Matters

SEC. 741. CONTINUED ADMISSION OF CIVILIANS AS STUDENTS IN PHYSICIAN ASSISTANT TRAINING PROGRAM OF ARMY MEDICAL DEPARTMENT.

(a) CIVILIAN ATTENDANCE.—(1) Chapter 407 of title 10, United States Code, is amended by adding at the end the following new section:

''§4416. Academy of Health Sciences: admission of civilians in physician assistant training program

''(a) IN GENERAL.—The Secretary of the Army may, pursuant to an agreement entered into with an accredited institution of higher education—

''(1) permit students of the institution to attend the didactic portion of the physician assistant training program conducted by the Army Medical Department at the Academy of Health Sciences at Fort Sam Houston, Texas; and

''(2) accept from the institution academic services to support the physician assistant training program at the Academy.

''(b) AGREEMENT FOR EXCHANGE OF SERVICES.—An agreement entered into with an institution of higher education under this section shall require the institution, in exchange for services provided under paragraph (1) of subsection (a), to provide academic services described in paragraph (2) of such subsection that the Secretary and authorized representatives of the institution consider appropriate.

''(c) SELECTION OF STUDENTS.—In consultation with the authorized representatives of the institution of higher education concerned, the Secretary shall prescribe the qualifications and methods of selection for students of the institution to receive instruction at the Academy under this section. The qualifications shall be comparable to those generally required for admission to the physician assistant training program at the Academy.

''(d) RULES OF ATTENDANCE.—Except as the Secretary determines necessary, a student who receives instruction at the Academy under this section shall be subject to the same regulations governing attendance, discipline, discharge, and dismissal as apply to other persons attending the Academy.

''(e) LIMITATIONS.—The Secretary shall ensure the following:

''(1) That the Army Medical Department, in carrying out an agreement under this section, does not incur costs in excess of the costs that the department would incur to obtain, by means other than the agreement, academic services that are comparable to those provided by the institution pursuant to the agreement.

''(2) That attendance of civilian students at the Academy under this section does not cause a decrease in the number of members of the armed forces enrolled in the physician assistant training program at the Academy.

''(f) ANNUAL REPORT.—(1) Each year, the Secretary shall submit to Congress a report on the exchange of services under this section during the year. The report shall contain the following:

''(A) The number of civilian students who receive instruction at the Academy under this section.

''(B) An assessment of the benefits derived by the United States.

''(2) Reports are required under paragraph (1) only for years during which an agreement is in effect under this section.''.

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

''4416. Academy of Health Sciences: admission of civilians in physician assistant training program.''.

(b) EFFECT ON EXISTING DEMONSTRATION PROGRAM.—An agreement entered into under the demonstration program for the admission of civilians as physician assistant students at the Academy of Health Sciences, Fort Sam Houston, Texas, established pursuant to section 732 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2810) shall be treated as an agreement entered into under section 4416 of title 10, United States Code (as added by subsection (a)). The agreement may be extended in such manner and for such period as the parties to the agreement consider appropriate consistent with section 4416.

SEC. 742. PAYMENT FOR EMERGENCY HEALTH CARE OVERSEAS FOR MILITARY AND CIVILIAN PERSONNEL OF THE ON-SITE INSPECTION AGENCY.

(a) PAYMENT OF COSTS.—The Secretary of Defense may pay the costs of any emergency health care that—

(1) is needed by a member of the Armed Forces, civilian employee of the Department of Defense, or civilian employee of a contractor operating under a contract with the Department of Defense while the member or employee is performing temporary or permanent duty with the On-Site Inspection Agency outside the United States; and

(2) is furnished to such person during fiscal year 1998 by a source outside the United States.

(b) FUNDING.—Funds authorized to be appropriated for the expenses of the On-Site Inspection Agency for fiscal year 1998 by this Act shall be available to cover payments for emergency health care provided under subsection (a).

SEC. 743. AUTHORITY FOR AGREEMENT FOR USE OF MEDICAL RESOURCE FACILITY, ALAMOGORDO, NEW MEXICO.

(a) AUTHORITY.—(1) The Secretary of the Air Force may enter into an agreement with Gerald Champion Hospital, Alamogordo, New Mexico, under which the Secretary may furnish health care services to eligible individuals in a medical resource facility in Alamogordo, New Mexico, that is constructed and equipped, in part, using funds provided by the Secretary under the agreement.

(2) For purposes of this section:

(A) The term ''eligible individual'' means any individual eligible for medical and dental care under chapter 55 of title 10, United States Code, including any member of the uniformed services entitled to such care under section 1074(a) of that title.

(B) The terms ''medical resource facility'' and ''facility'' mean the medical resource facility to be constructed and equipped pursuant to the agreement authorized by paragraph (1).

(C) The term ''Hospital'' means Gerald Champion Hospital, Alamogordo, New Mexico.

(b) CONTENT OF AGREEMENT.—Any agreement entered into under subsection (a) shall specify, at a minimum, the following:

(1) The relationship between the Hospital and the Secretary of the Air Force in the provision of health care services to eligible individuals in the medical resource facility, including—

(A) whether or not the Secretary and the Hospital are to use and administer the facility jointly or independently; and

(B) under what circumstances the Hospital is to act as a provider of health care services under the managed care option of the TRICARE program known as TRICARE Prime.

(2) Matters relating to the administration of the agreement, including—

(A) the duration of the agreement;

(B) the rights and obligations of the Secretary and the Hospital under the agreement, including any contracting or grievance procedures applicable under the agreement;

(C) the types of care to be provided to eligible individuals under the agreement, including the cost to the Department of the Air Force of providing the care to eligible individuals during the term of the agreement;

(D) the access of Air Force medical personnel to the facility under the agreement;

(E) the rights and responsibilities of the Secretary and the Hospital upon termination of the agreement; and

(F) any other matters jointly identified by the Secretary and the Hospital.

(3) The nature of the arrangement between the Secretary and the Hospital with respect to the ownership of the facility and any property under the agreement, including—

(A) the nature of that arrangement while the agreement is in force;

(B) the nature of that arrangement upon termination of the agreement; and

(C) any requirement for reimbursement of the Secretary by the Hospital as a result of the arrangement upon termination of the agreement.

(4) The amount of the funds made available under subsection (c) that the Secretary will contribute for the construction and equipping of the facility.

(5) Any conditions or restrictions relating to the construction, equipping, or use of the facility.

(c) AVAILABILITY OF FUNDS FOR CONSTRUCTION AND EQUIPPING OF FACILITY.—(1) Of the amount authorized to be appropriated pursuant to section 301(4) for operation and maintenance for the Air Force, not more than $7,000,000 may be used by the Secretary of the Air Force to make a contribution toward the construction and equipping of the medical resource facility in the event that the Secretary enters into the agreement authorized by subsection (a). Notwithstanding any other provision of law, the Secretary may not use other sources of funds to make a contribution toward the construction or equipping of the facility.

(2) Notwithstanding subsection (b)(3) regarding the ownership and reimbursement issues to be addressed in the agreement authorized by subsection (a), the Secretary may not contribute funds made available under paragraph (1) toward the construction and equipping of the facility unless the agreement requires, in exchange for the contribution, that the Hospital provide health care services to eligible individuals without charge to the Secretary or at a reduced rate. The value of the services provided by the Hospital shall be at least equal to the amount of the contribution made by the Secretary, and the Hospital shall complete the provision of services equal in value to the Secretary's contribution within seven years after the facility becomes operational. The provision of additional discounted services to be provided by the Hospital shall be included in the agreement. The value and types of services to be provided by the Hospital shall be negotiated in accordance with principles of resource-sharing agreements under the TRICARE program.

(d) NOTICE AND WAIT.—The Secretary of the Air Force may not enter into the agreement authorized by subsection (a) until 90 days after the Secretary of Defense submits to the congressional defense committees the report required by subsection (e).

(e) REPORT ON PROPOSED AGREEMENT.—The Secretary of Defense shall submit to Congress a report containing an analysis of, and recommendations regarding, the agreement proposed to be entered into under subsection (a), in particular, the implications of the agreement on regional health care costs and its effect on implementation of the TRICARE program in the region. The report shall also include a copy of the agreement, the results of a cost-benefit analysis conducted by the Secretary of the Air Force with respect to the agreement, and such other information with respect to the agreement as the Secretary of Defense and the Secretary of the Air Force considers appropriate. The cost-benefit analysis shall consider the effects of the agreement on operation and maintenance and military construction requirements at Holloman Air Force Base, New Mexico.

(f) SUBSEQUENT REPORTS.—If the Secretary of the Air Force enters into the agreement authorized by subsection (a), the Secretary shall submit to Congress an annual report containing a revised cost-benefit analysis of the consequences of the agreement as in effect during the year covered by the report, including a full accounting of any cost savings realized by the Department of the Air Force as a result of the agreement. A report shall be submitted for each year in which the agreement is in effect or until the Hospital provides the full value of health care services required under subsection (c)(2), whichever occurs first.

SEC. 744. DISCLOSURES OF CAUTIONARY INFORMATION ON PRESCRIPTION MEDICATIONS.

(a) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the administering Secretaries referred to in section 1073 of title 10, United States Code, shall prescribe regulations to require each source described in subsection (d) that dispenses a prescription medication to a beneficiary under chapter 55 of such title to include with the medication the written cautionary information required by subsection (b).

(b) INFORMATION TO BE DISCLOSED.—Information required to be disclosed about a medication under the regulations shall include appropriate cautions about usage of the medication, including possible side effects and potentially hazardous interactions with foods.

(c) FORM OF INFORMATION.—The regulations shall require that information be furnished in a form that, to the maximum extent practicable, is easily read and understood.

(d) COVERED SOURCES.—The regulations shall apply to the following:

(1) Pharmacies and any other dispensers of prescription medications in medical facilities of the uniformed services.

(2) Sources of prescription medications under any mail order pharmaceuticals program provided by any of the administering Secretaries under chapter 55 of title 10, United States Code.

(3) Pharmacies paid under the Civilian Health and Medical Program of the Uniformed Services (including the TRICARE program).

(4) Pharmacies, and any other pharmaceutical dispensers, of designated providers referred to in section 721(5) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2593; 10 U.S.C. 1073 note).

SEC. 745. COMPETITIVE PROCUREMENT OF CERTAIN OPHTHALMIC SERVICES.

(a) COMPETITIVE PROCUREMENT REQUIRED.—Beginning not later than October 1, 1998, the Secretary of Defense shall competitively procure from private-sector sources, or other sources outside of the Department of Defense, all ophthalmic services related to the provision of single vision and multivision eyeware for members of the Armed Forces, retired members, and certain covered beneficiaries under chapter 55 of title 10, United States Code, who would otherwise receive such ophthalmic services through the Department of Defense.

(b) EXCEPTION.—Subsection (a) shall not apply to the extent that the Secretary of Defense determines that the use of sources within the Department of Defense to provide such ophthalmic services—

(1) is necessary to meet the readiness requirements of the Armed Forces; or

(2) is more cost effective.

(c) COMPLETION OF EXISTING ORDERS.—Subsection (a) shall not apply to orders for ophthalmic services received on or before September 30, 1998.

SEC. 746. COMPTROLLER GENERAL STUDY OF ADEQUACY AND EFFECT OF MAXIMUM ALLOWABLE CHARGES FOR PHYSICIANS UNDER CHAMPUS.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study regarding the adequacy of the maximum allowable charges for physicians established under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and the effect of such charges on the participation of physicians in CHAMPUS. The study shall include an evaluation of the following:

(1) The methodology used by the Secretary of Defense to establish maximum allowable charges for physicians under CHAMPUS, and whether such methodology conforms to the requirements of section 1079(h) of title 10, United States Code.

(2) The differences between the established charges under CHAMPUS and reimbursement rates for similar services under title XVIII of the Social Security Act and other health care programs.

(3) The basis for physician complaints that the CHAMPUS established charges are too low.

(4) The difficultly of CHAMPUS in ensuring physician compliance with the CHAMPUS established charges in the absence of legal mechanisms to enforce compliance, and the effect of noncompliance on patient out-of-pocket expenses.

(5) The effect of the established charges under CHAMPUS on the participation of physicians in CHAMPUS, and the extent and success of Department of Defense efforts to increase physician participation in areas with low participation rates.

(b) SUBMISSION OF REPORT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress a report containing the results of the study required by subsection (a).

SEC. 747. COMPTROLLER GENERAL STUDY OF DEPARTMENT OF DEFENSE PHARMACY PROGRAMS.

(a) STUDY.—Not later than March 31, 1998, the Comptroller General shall submit to Congress a study evaluating the pharmacy programs of the Department of Defense. The study shall examine the impact of such pharmacy programs on the aggregate cost, quality, and accessibility of health care provided to covered beneficiaries under chapter 55 of title 10, United States Code, and shall include an examination of the following:

(1) The merits and feasibility of establishing a uniform formulary for military treatment facility pharmacies and civilian contractor pharmacy benefit administrators.

(2) The reasons that military treatment facilities deny covered beneficiaries access to pharmacy care and shift such beneficiaries to other sources of pharmacy care.

(3) The merits and feasibility of using private sector cost control mechanisms implemented by authorized civilian contractors in the Department of Defense medical programs, and the existence of any barriers to the use of such mechanisms, including factors that may undermine the incentives of such contractors to optimize treatment outcomes in managing the care of covered beneficiaries without exceeding budgeted resources.

(4) The cost impacts, if any, of the use of commercial managed care methods of furnishing pharmaceuticals to covered beneficiaries by TRICARE program contractors instead of procuring pharmaceuticals at discounted prices pursuant to section 8126 of title 38, United States Code.

(5) The existence of options for increasing the discounts available to TRICARE program contractors without undermining controls for preventing diversion of items procured by the Department of Defense to nonmilitary populations.

(b) RESPONSE TO STUDY.—Not later than 90 days after the Comptroller General submits to Congress the study required by subsection (a), the Secretary of Defense shall submit to Congress a report on the feasibility and advisability of implementing changes to the pharmacy programs of the Department of Defense based on the findings and conclusions of the study.

SEC. 748. COMPTROLLER GENERAL STUDY OF NAVY GRADUATE MEDICAL EDUCATION PROGRAM.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the validity of the recommendations made by the Medical Education Policy Council of the Bureau of Medicine and Surgery of the Navy regarding restructuring the graduate medical education program of the Department of the Navy. The study shall specifically address the Council's recommendations relating to residency training conducted at Naval Medical Center, Portsmouth, Virginia, and National Naval Medical Center, Bethesda, Maryland.

(b) SUBMISSION OF REPORT.—Not later than March 1, 1998, the Comptroller General shall submit to Congress and the Secretary of the Navy a report containing the results of the study required by subsection (a).

(c) MORATORIUM ON RESTRUCTURING.—Until the report required by subsection (b) is submitted to Congress, the Secretary of the Navy may not make any change in the types of residency programs conducted under the Navy graduate medical education program or the locations at which such residency programs are conducted or otherwise restructure the Navy graduate medical education program.

SEC. 749. STUDY OF EXPANSION OF PHARMACEUTICALS BY MAIL PROGRAM TO INCLUDE ADDITIONAL MEDICARE-ELIGIBLE COVERED BENEFICIARIES.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report regarding the feasibility and advisability of expanding the category of persons eligible to participate in the demonstration project for the purchase of prescription pharmaceuticals by mail, as required by section 702(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1079 note), to include persons referred to in subsection (c) of section 1086 of title 10, United States Code, who are covered by subsection (d)(1) of such section and reside in the United States outside of the catchment area of a medical treatment facility of the uniformed services.

SEC. 750. COMPTROLLER GENERAL STUDY OF REQUIREMENT FOR MILITARY MEDICAL FACILITIES IN NATIONAL CAPITAL REGION.

(a) STUDY REQUIRED.—The Comptroller General shall conduct a study to evaluate the requirements for Army, Navy, and Air Force medical facilities in the National Capital Region (as defined in section 2674(f)(2) of title 10, United States Code). The study shall—

(1) specifically address requirements with respect to geography, facilities, integrated residencies, and medical environments; and

(2) provide specific recommendations with respect to how medical and health care provided by these facilities may be better coordinated to more efficiently serve, throughout the National Capital Region, members of the Armed Forces on active duty and covered beneficiaries under chapter 55 of title 10, United States Code.

(b) SUBMISSION OF REPORT.—Not later than six months after the date of the enactment of this Act, the Comptroller General shall submit to Congress and the Secretary of Defense a report containing the results of the study required by subsection (a).

SEC. 751. REPORT ON POLICIES AND PROGRAMS TO PROMOTE HEALTHY LIFESTYLES FOR MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.

(a) REPORT.—Not later than March 30, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the effectiveness of the policies and programs of the Department of Defense intended to promote healthy lifestyles for members of the Armed Forces and their dependents.

(b) POLICIES AND PROGRAMS TO BE ASSESSED.—The report under subsection (a) shall include an assessment of the effectiveness of the following:

(1) Programs intended to educate members of the Armed Forces and their dependents about the potential health consequences of the use of alcohol and tobacco.

(2) Policies of the commissaries, post exchanges, and service clubs, and for entertainment activities of the Department of Defense, relating to the sale and use of alcohol and tobacco.

(3) Programs intended to provide support to members of the Armed Forces and their dependents who choose to reduce or eliminate their use of alcohol or tobacco.

(4) Any other policies or programs intended to promote healthy lifestyles for members of the Armed Forces and their dependents.

SEC. 752. SENSE OF CONGRESS REGARDING QUALITY HEALTH CARE FOR RETIREES.

(a) FINDINGS.—Congress makes the following findings:

(1) Many retired military personnel believe that they were promised lifetime health care in exchange for 20 or more years of service.

(2) Military retirees are the only Federal Government personnel who have been prevented from using their employer-provided health care at or after 65 years of age.

(3) Military health care has become increasingly difficult to obtain for military retirees as the Department of Defense reduces its health care infrastructure.

(4) Military retirees deserve to have a health care program that is at least comparable with that of retirees from civilian employment by the Federal Government.

(5) The availability of quality, lifetime health care is a critical recruiting incentive for the Armed Forces.

(6) Quality health care is a critical aspect of the quality of life of the men and women serving in the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States has incurred a moral obligation to provide health care to members and former members of the Armed Forces who are entitled to retired or retainer pay (or its equivalent);

(2) it is, therefore, necessary to provide quality, affordable health care to such retirees; and

(3) Congress and the President should take steps to address the problems associated with the availability of health care for such retirees within two years after the date of the enactment of this Act.

Subtitle F—Persian Gulf Illness

SEC. 761. DEFINITIONS.

For purposes of this subtitle:

(1) The term ''Gulf War illness'' means any one of the complex of illnesses and symptoms that might have been contracted by members of the Armed Forces as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

(2) The term ''Persian Gulf War'' has the meaning given that term in section 101 of title 38, United States Code.

(3) The term ''Persian Gulf veteran'' means an individual who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

(4) The term ''contingency operation'' has the meaning given that term in section 101(a) of title 10, United States Code, and includes a humanitarian operation, peacekeeping operation, or similar operation.

SEC. 762. PLAN FOR HEALTH CARE SERVICES FOR PERSIAN GULF VETERANS.

(a) PLAN REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall prepare a plan to provide appropriate health care to Persian Gulf veterans (and dependents eligible by law) who suffer from a Gulf War illness.

(b) CONTENTS OF PLAN.—In preparing the plan, the Secretaries shall—

(1) use the presumptions of service connection and illness specified in paragraphs (1) and (2) of section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note) to determine the Persian Gulf veterans (and dependents eligible by law) who should be covered by the plan;

(2) consider the need and methods available to provide health care services to Persian Gulf veterans who are no longer on active duty in the Armed Forces, such as Persian Gulf veterans who are members of the reserve components and Persian Gulf veterans who have been separated from the Armed Forces; and

(3) estimate the costs to the Government of providing full or partial health care services under the plan to covered Persian Gulf veterans (and covered dependents eligible by law).

(c) FOLLOW-UP TREATMENT.—The plan required by subsection (a) shall specifically address the measures to be used to monitor the quality, appropriateness, and effectiveness of, and patient satisfaction with, health care services provided to Persian Gulf veterans after their initial medical examination as part of registration in the Persian Gulf War Veterans Health Registry or the Comprehensive Clinical Evaluation Program.

(d) SUBMISSION OF PLAN.—Not later than March 1, 1998, the Secretaries shall submit to Congress the plan required by subsection (a).

SEC. 763. COMPTROLLER GENERAL STUDY OF REVISED DISABILITY CRITERIA FOR PHYSICAL EVALUATION BOARDS.

Not later than March 1, 1998, the Comptroller General shall submit to Congress a study evaluating the revisions made by the Secretary of Defense (as required by section 721(e) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note)) to the Physical Evaluation Board criteria used to set disability ratings for members of the Armed Forces who are no longer medically qualified for continuation on active duty so as to ensure accurate disability ratings related to a diagnosis of a Gulf War illness.

SEC. 764. MEDICAL CARE FOR CERTAIN RESERVES WHO SERVED IN SOUTHWEST ASIA DURING THE PERSIAN GULF WAR.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074d the following new section:

"§ 1074e. Medical care: certain Reserves who served in Southwest Asia during the Persian Gulf Conflict

''(a) ENTITLEMENT TO MEDICAL CARE.—A member of the armed forces described in subsection (b) is entitled to medical care for a qualifying Persian Gulf symptom or illness to the same extent and under the same conditions (other than the requirement that the member be on active duty) as a member of a uniformed service who is entitled to such care under section 1074(a) of this title.

''(b) COVERED MEMBERS.—Subsection (a) applies to a member of a reserve component who—

''(1) is a Persian Gulf veteran;

''(2) has a qualifying Persian Gulf symptom or illness; and

''(3) is not otherwise entitled to medical care for such symptom or illness under this chapter and is not otherwise eligible for hospital care and medical services for such symptom or illness under section 1710 of title 38.

''(c) DEFINITIONS.—In this section:

''(1) The term 'Persian Gulf veteran' means a member of the armed forces who served on active duty in the Southwest Asia theater of operations during the Persian Gulf Conflict.

''(2) The term 'qualifying Persian Gulf symptom or illness' means, with respect to a member described in subsection (b), a symptom or illness—

''(A) that the member registered before September 1, 1997, in the Comprehensive Clinical Evaluation Program of the Department of Defense and that is presumed under section 721(d) of the National Defense Authorization Act for Fiscal Year 1995 (10 U.S.C. 1074 note) to be a result of service in the Southwest Asia theater of operations during the Persian Gulf Conflict; or

''(B) that the member registered before September 1, 1997, in the Persian Gulf War Veterans Health Registry maintained by the Department of Veterans Affairs pursuant to section 702 of the Persian Gulf War Veterans' Health Status Act (38 U.S.C. 527 note).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074d the following new item:

''1074e. Medical care: certain Reserves who served in Southwest Asia during the Persian Gulf Conflict.''.

SEC. 765. IMPROVED MEDICAL TRACKING SYSTEM FOR MEMBERS DEPLOYED OVERSEAS IN CONTINGENCY OR COMBAT OPERATIONS.

(a) SYSTEM REQUIRED.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1074e (as added by section 764) the following new section:

"§ 1074f. Medical tracking system for members deployed overseas

''(a) SYSTEM REQUIRED.—The Secretary of Defense shall establish a system to assess the medical condition of members of the armed forces (including members of the reserve components) who are deployed outside the United States or its territories or possessions as part of a contingency operation (including a humanitarian operation, peacekeeping operation, or similar operation) or combat operation.

''(b) ELEMENTS OF SYSTEM.—The system described in subsection (a) shall include the use of predeployment medical examinations and postdeployment medical examinations (including an assessment of mental health and the drawing of blood samples) to accurately record the medical condition of members before their deployment and any changes in their medical condition during the course of their deployment. The postdeployment examination shall be conducted when the member is redeployed or otherwise leaves an area in which the system is in operation (or as soon as possible thereafter).

''(c) RECORDKEEPING.—The results of all medical examinations conducted under the system, records of all health care services (including immunizations) received by members described in subsection (a) in anticipation of their deployment or during the course of their deployment, and records of events occurring in the deployment area that may affect the health of such members shall be retained and maintained in a centralized location to improve future access to the records.

''(d) QUALITY ASSURANCE.—The Secretary of Defense shall establish a quality assurance program to evaluate the success of the system in ensuring that members described in subsection (a) receive predeployment medical examinations and postdeployment medical examinations and that the recordkeeping requirements with respect to the system are met.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074e (as added by section 764) the following new item:

''1074f. Medical tracking system for members deployed overseas.''.

(b) REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress an analysis of the administrative implications of establishing and administering the medical tracking system required by section 1074f of title 10, United States Code, as added by subsection (a). The report shall include, for fiscal year 1999 and the 5 successive fiscal years, a separate analysis and specification of the projected costs and operational considerations for each of the following required aspects of the system:

(1) Predeployment medical examinations.

(2) Postdeployment medical examinations.

(3) Recordkeeping.

SEC. 766. NOTICE OF USE OF INVESTIGATIONAL NEW DRUGS OR DRUGS UNAPPROVED FOR THEIR APPLIED USE.

(a) NOTICE REQUIREMENTS.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1107. Notice of use of an investigational new drug or a drug unapproved for its applied use

''(a) NOTICE REQUIRED.—(1) Whenever the Secretary of Defense requests or requires a member of the armed forces to receive an investigational new drug or a drug unapproved for its applied use, the Secretary shall provide the member with notice containing the information specified in subsection (d).

''(2) The Secretary shall also ensure that health care providers who administer an investigational new drug or a drug unapproved for its applied use, or who are likely to treat members who receive such a drug, receive the information required to be provided under paragraphs (3) and (4) of subsection (d).

''(b) TIME OF NOTICE.—The notice required to be provided to a member under subsection (a)(1) shall be provided before the investigational new drug or drug unapproved for its applied use is first administered to the member, if practicable, but in no case later than 30 days after the drug is first administered to the member.

''(c) FORM OF NOTICE.—The notice required under subsection (a)(1) shall be provided in writing unless the Secretary of Defense determines that the use of written notice is impractical because of the number of members receiving the investigational new drug or drug unapproved for its applied use, time constraints, or similar reasons. If the Secretary provides notice under subsection (a)(1) in a form other than in writing, the Secretary shall submit to Congress a report describing the notification method used and the reasons for the use of the alternative method.

''(d) CONTENT OF NOTICE.—The notice required under subsection (a)(1) shall include the following:

''(1) Clear notice that the drug being administered is an investigational new drug or a drug unapproved for its applied use.

''(2) The reasons why the investigational new drug or drug unapproved for its applied use is being administered.

''(3) Information regarding the possible side effects of the investigational new drug or drug unapproved for its applied use, including any known side effects possible as a result of the interaction of such drug with other drugs or treatments being administered to the members receiving such drug.

''(4) Such other information that, as a condition of authorizing the use of the investigational new drug or drug unapproved for its applied use, the Secretary of Health and Human Services may require to be disclosed.

''(e) RECORDS OF USE.—The Secretary of Defense shall ensure that the medical records of members accurately document—

''(1) the receipt by members of any investigational new drug or drug unapproved for its applied use; and

''(2) the notice required by subsection (a)(1).

''(f) DEFINITIONS.—In this section:

''(1) The term 'investigational new drug' means a drug covered by section 505(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)).

''(2) The term 'drug unapproved for its applied use' means a drug administered for a use not described in the approved labeling of the drug under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1107. Notice of use of an investigational new drug or a drug unapproved for its applied use.''.

SEC. 767. REPORT ON PLANS TO TRACK LOCATION OF MEMBERS IN A THEATER OF OPERATIONS.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan for collecting and maintaining information regarding the daily location of units of the Armed Forces, and to the extent practicable individual members of such units, serving in a theater of operations during a contingency operation or combat operation.

SEC. 768. SENSE OF CONGRESS REGARDING THE DEPLOYMENT OF SPECIALIZED UNITS FOR DETECTING AND MONITORING CHEMICAL, BIOLOGICAL, AND SIMILAR HAZARDS IN A THEATER OF OPERATIONS.

It is the sense of Congress that the Secretary of Defense, in conjunction with the Chairman of the Joint Chiefs of Staff, should take such actions as are necessary to ensure that the units of the Armed Forces deployed in the theater of operations for each contingency operation or combat operation include specialized units with sufficient capability (including personnel with the appropriate training and expertise, and the appropriate equipment) to detect and monitor the presence of chemical, biological, and similar hazards to which members of the Armed Forces could be exposed in that theater during the operation.

SEC. 769. REPORT ON EFFECTIVENESS OF RESEARCH EFFORTS REGARDING GULF WAR ILLNESSES.

Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report evaluating the effectiveness of medical research initiatives regarding Gulf War illnesses. The report shall address the following:

(1) The type and effectiveness of previous research efforts, including the activities undertaken pursuant to section 743 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1074 note), section 722 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note), and sections 270 and 271 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1613).

(2) Recommendations regarding additional research regarding Gulf War illnesses, including research regarding the nature and causes of Gulf War illnesses and appropriate treatments for such illnesses.

(3) The adequacy of Federal funding and the need for additional funding for medical research initiatives regarding Gulf War illnesses.

SEC. 770. PERSIAN GULF ILLNESS CLINICAL TRIALS PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There are many ongoing studies that investigate risk factors which may be associated with the health problems experienced by Persian Gulf veterans; however, there have been no studies that examine health outcomes and the effectiveness of the treatment received by such veterans.

(2) The medical literature and testimony presented in hearings on Gulf War illnesses indicate that there are therapies, such as cognitive behavioral therapy, that have been effective in treating patients with symptoms similar to those seen in many Persian Gulf veterans.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs, acting jointly, shall establish a program of cooperative clinical trials at multiple sites to assess the effectiveness of protocols for treating Persian Gulf veterans who suffer from ill-defined or undiagnosed conditions. Such protocols shall include a multidisciplinary treatment model, of which cognitive behavioral therapy is a component.

(c) FUNDING.—Of the funds authorized to be appropriated in section 201(1) for research, development, test, and evaluation for the Army, the sum of $4,500,000 shall be available for program element 62787A (medical technology) in the budget of the Department of Defense for fiscal year 1998 to carry out the clinical trials program established pursuant to subsection (b).

SEC. 771. SENSE OF CONGRESS CONCERNING GULF WAR ILLNESS.

(a) FINDINGS.—Congress makes the following findings:

(1) Americans served in the Persian Gulf Conflict of 1991 in defense of vital national security interests of the United States.

(2) It was known to United States intelligence and military commanders that biological and chemical agents were in theater throughout the conflict.

(3) An undetermined amount of these agents were released into theater.

(4) A large number of United States military veterans and allied veterans who served in the Southwest Asia theater of operations have been stricken with a variety of severe illnesses.

(5) Previous efforts to discern the causes of those illnesses have been inadequate, and those illnesses are affecting the health of both veterans and their families.

(b) SENSE OF CONGRESS.—It is the sense of Congress that all promising technology and treatments relating to Gulf War illnesses should be fully explored and tested to facilitate treatment for members of the Armed Forces and veterans who served the United States in the Persian Gulf conflict and are stricken with unexplainable illness.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 801. Expansion of authority to enter into contracts crossing fiscal years to all severable service contracts not exceeding a year.
Sec. 802. Vesting of title in the United States under contracts paid under progress payment arrangements or similar arrangements.
Sec. 803. Restriction on undefinitized contract actions.
Sec. 804. Limitation and report on payment of restructuring costs under defense contracts.
Sec. 805. Increased price limitation on purchases of right-hand drive vehicles.
Sec. 806. Multiyear procurement contracts.
Sec. 807. Audit of procurement of military clothing and clothing-related items by military installations in the United States.
Sec. 808. Limitation on allowability of compensation for certain contractor personnel.
Sec. 809. Elimination of certification requirement for grants.
Sec. 810. Repeal of limitation on adjustment of shipbuilding contracts.
Sec. 811. Item-by-item and country-by-country waivers of domestic source limitations.

Subtitle B—Acquisition Assistance Programs

Sec. 821. One-year extension of pilot mentor-protege program.
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Subtitle C—Administrative Provisions

Sec. 831. Retention of expired funds during the pendency of contract litigation.
Sec. 832. Protection of certain information from disclosure.
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Sec. 834. Plan for providing contracting information to general public and small businesses.
Sec. 835. Two-year extension of crediting of certain purchases toward meeting subcontracting goals.

Subtitle D—Other Matters

Sec. 841. Repeal of certain acquisition requirements and reports
Sec. 842. Use of major range and test facility installations by commercial entities.
Sec. 843. Requirement to develop and maintain list of firms not eligible for defense contracts.
Sec. 844. Sense of Congress regarding allowability of costs of employee stock ownership plans.
Sec. 845. Expansion of personnel eligible to participate in demonstration project relating to acquisition workforce.
Sec. 846. Time for submission of annual report relating to Buy American Act.
Sec. 847. Repeal of requirement for contractor guarantees on major weapon systems.
Sec. 848. Requirements relating to micro-purchases.
Sec. 849. Promotion rate for officers in an acquisition corps.
Sec. 850. Use of electronic commerce in Federal procurement.
Sec. 851. Conformance of policy on performance based management of civilian acquisition programs with policy established for defense acquisition programs.
Sec. 852. Modification of process requirements for the solutions-based contracting pilot program.
Sec. 853. Guidance and standards for defense acquisition workforce training requirements.
Sec. 854. Study and report to Congress assessing dependence on foreign sources for resistors and capacitors.
Sec. 855. Department of Defense and Federal Prison Industries joint study.

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 801. EXPANSION OF AUTHORITY TO ENTER INTO CONTRACTS CROSSING FISCAL YEARS TO ALL SEVERABLE SERVICE CONTRACTS NOT EXCEEDING A YEAR.

(a) EXPANDED AUTHORITY.—Section 2410a of title 10, United States Code, is amended to read as follows:

''§ 2410a. Severable service contracts for periods crossing fiscal years

''(a) AUTHORITY.—The Secretary of Defense, the Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

''(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a).''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

''2410a. Severable service contracts for periods crossing fiscal years.''.

SEC. 802. VESTING OF TITLE IN THE UNITED STATES UNDER CONTRACTS PAID UNDER PROGRESS PAYMENT ARRANGEMENTS OR SIMILAR ARRANGEMENTS.

Section 2307 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

''(h) VESTING OF TITLE IN THE UNITED STATES.—If a contract paid by a method authorized under subsection (a)(1) provides for title to property to vest in the United States, the title to the property shall vest in accordance with the terms of the contract, regardless of any security interest in the property that is asserted before or after the contract is entered into.''.

SEC. 803. RESTRICTION ON UNDEFINITIZED CONTRACT ACTIONS.

(a) APPLICABILITY OF WAIVER AUTHORITY TO HUMANITARIAN OR PEACEKEEPING OPERATIONS.—Section 2326(b)(4) of title 10, United States Code, is amended to read as follows:

''(4) The head of an agency may waive the provisions of this subsection with respect to a contract of that agency if that head of an agency determines that the waiver is necessary in order to support any of the following operations:

''(A) A contingency operation.

''(B) A humanitarian or peacekeeping operation.''.

(b) HUMANITARIAN OR PEACEKEEPING OPERATION DEFINED.—Section 2302(7) of such title is amended—

(1) by striking out ''(7)(A)'' and inserting in lieu thereof ''(7)''; and

(2) by striking out ''(B) In subparagraph (A), the'' and inserting in lieu thereof ''(8) The''.

SEC. 804. LIMITATION AND REPORT ON PAYMENT OF RESTRUCTURING COSTS UNDER DEFENSE CONTRACTS.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2324 the following new section:

''§ 2325. Restructuring costs

''(a) LIMITATION ON PAYMENT OF RESTRUCTURING COSTS.—(1) The Secretary of Defense may not pay, under section 2324 of this title, a defense contractor for restructuring costs associated with a business combination of the contractor unless the Secretary determines in writing either—

''(A) that the amount of projected savings for the Department of Defense associated with the restructuring will be at least twice the amount of the costs allowed; or

''(B) that the amount of projected savings for the Department of Defense associated with the restructuring will exceed the amount of the costs allowed and that the business combination will result in the preservation of a critical capability that otherwise might be lost to the Department.

''(2) The Secretary may not delegate the authority to make a determination under paragraph (1) to an official of the Department of Defense below the level of an Assistant Secretary of Defense.

''(b) REPORT.—Not later than March 1 in each of 1998, 1999, 2000, 2001, and 2002, the Secretary of Defense shall submit to Congress a report that contains, with respect to business combinations occurring on or after August 15, 1994, the following:

''(1) For each defense contractor to which the Secretary has paid, under section 2324 of this title, restructuring costs associated with a business combination, a summary of the following:

''(A) An estimate of the amount of savings for the Department of Defense associated with the restructuring that has been realized as of the end of the preceding calendar year.

''(B) An estimate of the amount of savings for the Department of Defense associated with the restructuring that is expected to be achieved on defense contracts.

''(2) An identification of any business combination for which the Secretary has paid restructuring costs under section 2324 of this title during the preceding calendar year and, for each such business combination—

''(A) the supporting rationale for allowing such costs;

''(B) factual information associated with the determination made under subsection (a) with respect to such costs; and

''(C) a discussion of whether the business combination would have proceeded without the payment of restructuring costs by the Secretary.

''(3) For business combinations of major defense contractors that took place during the year preceding the year of the report—

''(A) an assessment of any potentially adverse effects that the business combinations could have on competition for Department of Defense contracts (including potential horizontal effects, vertical effects, and organizational conflicts of interest), the national technology and industrial base, or innovation in the defense industry; and

''(B) the actions taken to mitigate the potentially adverse effects.

''(c) DEFINITION.—In this section, the term 'business combination' includes a merger or acquisition.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2324 the following new item:

''2325. Restructuring costs.''.

(b) GAO REPORTS.—(1) Not later than April 1, 1998, the Comptroller General shall—

(A) in consultation with appropriate officials in the Department of Defense—

(i) identify major market areas affected by business combinations of defense contractors since January 1, 1990; and

(ii) develop a methodology for determining the savings from business combinations of defense contractors on the prices paid on particular defense contracts; and

(B) submit to the congressional defense committees a report describing, for each major market area identified pursuant to subparagraph (A)(i), the changes in numbers of businesses competing for major defense contracts since January 1, 1990.

(2) Not later than December 1, 1998, the Comptroller General shall submit to the congressional defense committees a report containing the following:

(A) Updated information on—

(i) restructuring costs of business combinations paid by the Department of Defense pursuant to certifications under section 818 of the National Defense Authorization Act for Fiscal Year 1995, and

(ii) savings realized by the Department of Defense as a result of the business combinations for which the payment of restructuring costs was so certified.

(B) An assessment of the savings from business combinations of defense contractors on the prices paid on a meaningful sample of defense contracts, determined in accordance with the methodology developed pursuant to paragraph (1)(A)(ii), as well as a description of the methodology.

(C) Any recommendations that the Comptroller General considers appropriate.

(3) In this subsection, the term ''business combination'' has the meaning given that term in section 2325(c) of title 10, United States Code, as added by subsection (a).

(c) EFFECTIVE DATE.—Section 2325(a) of title 10, United States Code, as added by subsection (a), shall apply with respect to business combinations that occur after the date of the enactment of this Act.

(d) REPEAL OF SUPERSEDED PROVISIONS.—Subsections (a) and (g)(3) of section 818 of the National Defense Authorization Act for Fiscal Year 1995 (10 U.S.C. 2324 note) are repealed.

SEC. 805. INCREASED PRICE LIMITATION ON PURCHASES OF RIGHT-HAND DRIVE VEHICLES.

Section 2253(a)(2) of title 10, United States Code, is amended by striking out ''$12,000'' and inserting in lieu thereof ''$30,000''.

SEC. 806. MULTIYEAR PROCUREMENT CONTRACTS.

(a) REQUIREMENT FOR AUTHORIZATION BY LAW IN ACTS OTHER THAN APPROPRIATIONS ACTS.—(1) Subsection (i) of section 2306b of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) In the case of the Department of Defense, a multiyear contract in an amount equal to or greater than $500,000,000 may not be entered into for any fiscal year under this section unless the contract is specifically authorized by law in an Act other than an appropriations Act.''.

(2) Paragraph (3) of section 2306b(i) of title 10, United States Code, as added by paragraph (1), shall not apply with respect to a contract authorized by law before the date of the enactment of this Act.

(b) CODIFICATION OF ANNUAL RECURRING MULTIYEAR PROCUREMENT REQUIREMENTS.—(1) Such section is further amended by adding at the end the following new subsection:

''(l) VARIOUS ADDITIONAL REQUIREMENTS WITH RESPECT TO MULTIYEAR DEFENSE CONTRACTS.—(1)(A) The head of an agency may not initiate a contract described in subparagraph (B) unless the congressional defense committees are notified of the proposed contract at least 30 days in advance of the award of the proposed contract.

''(B) Subparagraph (A) applies to the following contracts:

''(i) A multiyear contract—

''(I) that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract; or

''(II) that includes an unfunded contingent liability in excess of $20,000,000.

''(ii) Any contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year.

''(2) The head of an agency may not initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability.

''(3) The head of an agency may not initiate a multiyear procurement contract for any system (or component thereof) if the value of the multiyear contract would exceed $500,000,000 unless authority for the contract is specifically provided in an appropriations Act.

''(4) The head of an agency may not terminate a multiyear procurement contract until 10 days after the date on which notice of the proposed termination is provided to the congressional defense committees.

''(5) The execution of multiyear contracting authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

''(6) This subsection does not apply to the National Aeronautics and Space Administration or to the Coast Guard.

''(7) In this subsection, the term 'congressional defense committees' means the following:

''(A) The Committee on Armed Services of the Senate and the Subcommittee on Defense of the Committee on Appropriations of the Senate.

''(B) The Committee on National Security of the House of Representatives and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.''.

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended as follows:

(1) Subsection (a) is amended—

(A) by striking out ''finds—'' in the matter preceding paragraph (1) and inserting in lieu thereof ''finds each of the following:'';

(B) by capitalizing the initial letter of the first word in each of paragraphs (1) through (6);

(C) by striking out the semicolon at the end of paragraphs (1) through (4) and inserting in lieu thereof a period; and

(D) by striking out ''; and'' at the end of paragraph (5) and inserting in lieu thereof a period.

(2) Subsection (d)(1) is amended by striking out ''paragraph (1)'' and inserting in lieu thereof ''subsection (a)''.

(3) Subsection (i)(1) is amended by striking ''five-year'' and inserting in lieu thereof ''future-years''.

SEC. 807. AUDIT OF PROCUREMENT OF MILITARY CLOTHING AND CLOTHING-RELATED ITEMS BY MILITARY INSTALLATIONS IN THE UNITED STATES.

(a) AUDIT REQUIREMENT.—Not later than September 30, 1998, the Inspector General of the Department of Defense shall perform an audit of purchases of military clothing and clothing-related items in excess of the micro-purchase threshold by military installations during fiscal years 1996 and 1997 to determine the extent to which such installations procured military clothing and clothing-related items in violation of the Buy American Act (41 U.S.C. 10a et seq.) during those fiscal years.

(b) INSTALLATIONS TO BE AUDITED.—The audit under subsection (a)—

(1) shall include an audit of the procurement of military clothing and clothing-related items by a military installation of each of the Army, Navy, Air Force, and Marine Corps; and

(2) shall not cover procurements of clothing and clothing-related items by the Defense Logistics Agency.

(c) DEFINITION.—The term ''micro-purchase threshold'' has the meaning provided by section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(f)).

(d) REPORT.—Not later than October 31, 1998, the Inspector General of the Department of Defense shall submit to Congress a report on the results of the audit performed under subsection (a).

SEC. 808. LIMITATION ON ALLOWABILITY OF COMPENSATION FOR CERTAIN CONTRACTOR PERSONNEL.

(a) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 2324 of title 10, United States Code, is amended by adding at the end the following:

''(P) Costs of compensation of senior executives of contractors for a fiscal year, regardless of the contract funding source, to the extent that such compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435).''.

(2) Subsection (l) of such section is amended by adding at the end the following:

''(4) The term 'compensation', for a year, means the total amount of wages, salary, bonuses and deferred compensation for the year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the year.

''(5) The term 'senior executive', with respect to a contractor, means—

''(A) the chief executive officer of the contractor or any individual acting in a similar capacity for the contractor;

''(B) the four most highly compensated employees in management positions of the contractor other than the chief executive officer; and

''(C) in the case of a contractor that has components which report directly to the contractor's headquarters, the five most highly compensated employees in management positions at each such component.

''(6) The term 'fiscal year' means a fiscal year established by a contractor for accounting purposes.''.

(b) CERTAIN COMPENSATION NOT ALLOWABLE AS COSTS UNDER NON-DEFENSE CONTRACTS.—(1) Subsection (e)(1) of section 306 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256) is amended by adding at the end the following:

''(P) Costs of compensation of senior executives of contractors for a fiscal year, regardless of the contract funding source, to the extent that such compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 39 of the Office of Federal Procurement Policy Act (41 U.S.C. 435).''.

(2) Such section is further amended by adding at the end the following:

''(m) OTHER DEFINITIONS.—In this section:

''(1) The term 'compensation', for a fiscal year, means the total amount of wages, salary, bonuses and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

''(2) The term 'senior executive', with respect to a contractor, means—

''(A) the chief executive officer of the contractor or any individual acting in a similar capacity for the contractor;

''(B) the four most highly compensated employees in management positions of the contractor other than the chief executive officer; and

''(C) in the case of a corporation that has components which report directly to the corporate headquarters, the five most highly compensated individuals in management positions at each such component.

''(3) The term 'benchmark corporation', with respect to a fiscal year, means a publicly-owned United States corporation that has annual sales in excess of $50,000,000 for the fiscal year.

''(4) The term 'publicly-owned United States corporation' means a corporation organized under the laws of a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a possession of the United States the voting stock of which is publicly traded.

''(5) The term 'fiscal year' means a fiscal year established by a contractor for accounting purposes.''.

(2) The table of sections in section 1(b) of such Act is amended by adding at the end the following:

''Sec. 39. Levels of compensation of certain contractor personnel not allowable as costs under certain contracts.''.

(d) REGULATIONS.—Regulations implementing the amendments made by this section shall be published in the Federal Register not later than the effective date of the amendments under subsection (e).

(e) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on the date that is 90 days after the date of the enactment of this Act; and

(2) apply with respect to costs of compensation incurred after January 1, 1998, under covered contracts entered into before, on, or after the date of the enactment of this Act.

(f) EXCLUSIVE APPLICABILITY.—Notwithstanding any other provision of law, no other limitation in law on the allowability of costs of compensation of senior executives under covered contracts shall apply to such costs of compensation incurred after January 1, 1998.

(g) DEFINITIONS.—In this section:

(1) The term ''covered contract'' has the meaning given such term in section 2324(l) of title 10, United States Code, and section 306(l) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(l)).

(2) The terms ''compensation'' and ''senior executive'' have the meanings given such terms in section 2324(l) of title 10, United States Code, and section 306(m) of the Federal Property and Administrative Services Act of 1949.

SEC. 809. ELIMINATION OF CERTIFICATION REQUIREMENT FOR GRANTS.

Section 5153 of the Drug-Free Workplace Act of 1988 (Public Law 100–690; 102 Stat. 4306; 41 U.S.C. 702) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking out ''has certified to the granting agency that it will'' and inserting in lieu thereof ''agrees to''; and

(B) in paragraph (2), by striking out ''certifies to the agency'' and inserting in lieu thereof ''agrees''; and

(2) in subsection (b)(1)—

(A) by striking out subparagraph (A);

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(C) in subparagraph (A), as so redesignated, by striking out ''such certification by failing to carry out''.

SEC. 810. REPEAL OF LIMITATION ON ADJUSTMENT OF SHIPBUILDING CONTRACTS.

(a) REPEAL.—(1) Section 2405 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2405.

(b) APPLICABILITY.—(1) Except as provided in paragraph (2), the repeal made by subsection (a) shall be effective with respect to claims, requests for equitable adjustment, and demands for payment under shipbuilding contracts that have been or are submitted before, on, or after the date of the enactment of this Act.

(2) Section 2405 of title 10, United States Code, as in effect immediately before the date of the enactment of this Act, shall continue to apply to a contractor's claim, request for equitable adjustment, or demand for payment under a shipbuilding contract that was submitted before such date if—

(A) a contracting officer denied the claim, request, or demand, and the period for appealing the decision to a court or board under the Contract Disputes Act of 1978 expired before such date;

(B) a court or board of contract appeals considering the claim, request, or demand (including any appeal of a decision of a contracting officer to deny the claim, request, or demand) denied or dismissed the claim, request, or demand (or the appeal), and the action of the court or board became final and unappealable before such date; or

(C) the contractor released or releases the claim, request, or demand.

SEC. 811. ITEM-BY-ITEM AND COUNTRY-BY-COUNTRY WAIVERS OF DOMESTIC SOURCE LIMITATIONS.

(a) ITEM-BY-ITEM AND COUNTRY-BY-COUNTRY IMPLEMENTATION OF CERTAIN WAIVER AUTHORITY.—Section 2534 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(i) IMPLEMENTATION OF CERTAIN WAIVER AUTHORITY.—(1) The Secretary of Defense may exercise the waiver authority described in paragraph (2) only if the waiver is made for a particular item listed in subsection (a) and for a particular foreign country.

''(2) This subsection applies to the waiver authority provided by subsection (d) on the basis of the applicability of paragraph (2) or (3) of that subsection.

''(3) The waiver authority described in paragraph (2) may not be delegated below the Under Secretary of Defense for Acquisition and Technology.

''(4) At least 15 days before the effective date of any waiver made under the waiver authority described in paragraph (2), the Secretary shall publish in the Federal Register and submit to the congressional defense committees a notice of the determination to exercise the waiver authority.

''(5) Any waiver made by the Secretary under the waiver authority described in paragraph (2) shall be in effect for a period not greater than one year, as determined by the Secretary.''.

(b) EFFECTIVE DATE.—Subsection (i) of section 2534 of such title, as added by subsection (a), shall apply with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (d) of such section 2534, on the basis of the applicability of paragraph (2) or (3) of that subsection.

Subtitle B—Acquisition Assistance Programs

SEC. 821. ONE-YEAR EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

(a) ONE-YEAR EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.—Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out ''1998'' and inserting in lieu thereof ''1999'';

(2) in paragraph (2), by striking out ''1999'' and inserting in lieu thereof ''2000''; and

(3) in paragraph (3), by striking out ''1999'' and inserting in lieu thereof ''2000''.

(b) STUDY ON IMPLEMENTATION OF PILOT MENTOR-PROTEGE PROGRAM.—(1) The Comptroller General shall conduct a study on the implementation of the Mentor-Protege Program established under section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) and the extent to which the program is achieving the purposes established under that section.

(2) The study also shall include the following:

(A) A review of the manner in which funds for the program have been obligated.

(B) An identification and assessment of the average amount spent by the Department of Defense on individual mentor-protege agreements and the correlation between levels of funding and the business development of the protege firms.

(C) An evaluation of the effectiveness of the incentives provided to mentor firms to participate in the program.

(D) An assessment of the success of the mentor-protege program in enhancing the business competitiveness and financial independence of protege firms.

(3) The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study not later than March 31, 1998.

SEC. 822. TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SUBCONTRACTING PLANS.

(a) CONTENT OF SUBCONTRACTING PLANS.—Subsection (b)(2) of section 834 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 15 U.S.C. 637 note) is amended—

(1) by striking out ''plan—'' and inserting in lieu thereof ''plan of a contractor—'';

(2) by striking out subparagraph (A);

(3) by redesignating subparagraph (B) as subparagraph (A) and by striking out the period at the end of such subparagraph and inserting in lieu thereof ''; and''; and

(4) by adding at the end the following:

''(B) shall cover each Department of Defense contract that is entered into by the contractor and each subcontract that is entered into by the contractor as the subcontractor under a Department of Defense contract.''.

(b) EXTENSION OF PROGRAM.—Subsection (e) of such section is amended by striking out ''September 30, 1998'' in the second sentence and inserting in lieu thereof ''September 30, 2000.''.

Subtitle C—Administrative Provisions

SEC. 831. RETENTION OF EXPIRED FUNDS DURING THE PENDENCY OF CONTRACT LITIGATION.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2410m. Retention of amounts collected from contractor during the pendency of contract dispute

''(a) RETENTION OF FUNDS.—Notwithstanding sections 1552(a) and 3302(b) of title 31, any amount, including interest, collected from a contractor as a result of a claim made by a military department or Defense Agency under the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), shall remain available in accordance with this section to pay—

''(1) any settlement of the claim by the parties;

''(2) any judgment rendered in the contractor's favor on an appeal of the decision on that claim to the Armed Services Board of Contract Appeals under section 7 of such Act (41 U.S.C. 606); or

''(3) any judgment rendered in the contractor's favor in an action on that claim in a court of the United States.

''(b) PERIOD OF AVAILABILITY.—(1) The period of availability of an amount under subsection (a), in connection with a claim—

''(A) expires 180 days after the expiration of the period for bringing an action on that claim in the United States Court of Federal Claims under section 10(a) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)) if, within that 180-day period—

''(i) no appeal on the claim is commenced at the Armed Services Board of Contract Appeals under section 7 of such Act; and

''(ii) no action on the claim is commenced in a court of the United States; or

''(B) if not expiring under subparagraph (A), expires—

''(i) in the case of a settlement of the claim, 180 days after the date of the settlement; or

''(ii) in the case of a judgment rendered on the claim in an appeal to the Armed Services Board of Contract Appeals under section 7 of the Contract Disputes Act of 1978 or an action in a court of the United States, 180 days after the date on which the judgment becomes final and not appealable.

''(2) While available under this section, an amount may be obligated or expended only for a purpose described in subsection (a).

''(3) Upon the expiration of the period of availability of an amount under paragraph (1), the amount shall be covered into the Treasury as miscellaneous receipts.

''(c) REPORTING REQUIREMENT.—Each year, the Under Secretary of Defense (Comptroller) shall submit to Congress a report on the amounts, if any, that are available for obligation pursuant to this section. The report shall include, at a minimum, the following:

''(1) The total amount available for obligation.

''(2) The total amount collected from contractors during the year preceding the year in which the report is submitted.

''(3) The total amount disbursed in such preceding year and a description of the purpose for each disbursement.

''(4) The total amount returned to the Treasury in such preceding year.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by adding at the end the following new item:

''2410m. Retention of amounts collected from contractor during the pendency of contract dispute.''.

SEC. 832. PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.

Section 2371 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(i) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5 for five years after the date on which the information is received by the Department of Defense.

''(2)(A) Paragraph (1) applies to information described in subparagraph (B) that is in the records of the Department of Defense if the information was submitted to the Department in a competitive or noncompetitive process having the potential for resulting in an award, to the party submitting the information, of a cooperative agreement that includes a clause described in subsection (d) or another transaction authorized by subsection (a).

''(B) The information referred to in subparagraph (A) is the following:

''(i) A proposal, proposal abstract, and supporting documents.

''(ii) A business plan submitted on a confidential basis.

''(iii) Technical information submitted on a confidential basis.''.

SEC. 833. UNIT COST REPORTS.

(a) IMMEDIATE REPORT REQUIRED ONLY FOR PREVIOUSLY UNREPORTED INCREASED COSTS.—Subsection (c) of section 2433 of title 10, United States Code, is amended by striking out ''during the current fiscal year (other than the last quarterly unit cost report under subsection (b) for the preceding fiscal year)'' in the matter following paragraph (3).

(b) IMMEDIATE REPORT NOT REQUIRED FOR COST VARIANCES OR SCHEDULE VARIANCES OF MAJOR CONTRACTS.—Subsection (c) of such section is further amended—

(1) by inserting ''or'' at the end of paragraph (1);

(2) by striking out ''or'' at the end of paragraph (2); and

(3) by striking out paragraph (3).

(c) CONGRESSIONAL NOTIFICATION OF INCREASED COST NOT CONDITIONED ON DISCOVERY SINCE BEGINNING OF FISCAL YEAR.—Subsection (d)(3) of such section is amended by striking out ''(for the first time since the beginning of the current fiscal year)'' in the first sentence.

SEC. 834. PLAN FOR PROVIDING CONTRACTING INFORMATION TO GENERAL PUBLIC AND SMALL BUSINESSES.

(a) REQUIREMENT FOR PLAN.—The Secretary of Defense shall develop a plan for improving the responsiveness of the Department of Defense to persons from the general public and small businesses seeking information on how to pursue contracting and technology development opportunities with the department. The plan shall include an assessment and recommendation on the designation of a central point of contact in the department to provide such information.

(b) SUBMISSION.—Not later than March 31, 1998, the Secretary shall submit the plan developed under subsection (a) to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 835. TWO-YEAR EXTENSION OF CREDITING OF CERTAIN PURCHASES TOWARD MEETING SUBCONTRACTING GOALS.

Section 2410d(c) of title 10, United States Code, is amended, effective as of September 30, 1997, by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1999''.

Subtitle D—Other Matters

SEC. 841. REPEAL OF CERTAIN ACQUISITION REQUIREMENTS AND REPORTS

(a) REPEAL OF REPORTING REQUIREMENT FOR NONMAJOR ACQUISITION PROGRAMS.—Section 2220(b) of title 10, United States Code, is amended by striking out ''and nonmajor'' in the first sentence.

(b) REPEAL OF ADDITIONAL APPROVAL REQUIREMENT UNDER COMPETITION EXCEPTION FOR INTERNATIONAL AGREEMENTS.—Section 2304(f)(2)(E) of title 10, United States Code, is amended by striking out ''and such document is approved by the competition advocate for the procuring activity''.

(c) CONTENT OF LIMITED SELECTED ACQUISITION REPORTS.—Section 2432(h)(2) of title 10, United States Code, is amended—

(1) by striking out subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(d) REPEAL OF REPORT RELATING TO PROCUREMENT REGULATIONS.—Section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) is amended by striking out subsection (g).

SEC. 842. USE OF MAJOR RANGE AND TEST FACILITY INSTALLATIONS BY COMMERCIAL ENTITIES.

(a) EXTENSION OF AUTHORITY.—Subsection (g) of section 2681 of title 10, United States Code, is amended by striking out ''1998'' and inserting in lieu thereof ''2002''.

(b) REVISED REPORTING REQUIREMENT.—Subsection (h) of such section is amended to read as follows:

''(h) REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report identifying existing and proposed procedures to ensure that the use of Major Range and Test Facility Installations by commercial entities does not compete with private sector test and evaluation services.''.

SEC. 843. REQUIREMENT TO DEVELOP AND MAINTAIN LIST OF FIRMS NOT ELIGIBLE FOR DEFENSE CONTRACTS.

Section 2327 of title 10, United States Code, is amended—

(1) by redesignating subsections (d) and (e) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (c) the following new subsections:

''(d) LIST OF FIRMS SUBJECT TO PROHIBITION.—(1) The Secretary of Defense shall develop and maintain a list of all firms and subsidiaries of firms that the Secretary has identified as being subject to the prohibition in subsection (b).

''(2)(A) A person may request the Secretary to include on the list maintained under paragraph (1) any firm or subsidiary of a firm that the person believes to be owned or controlled by a foreign government described in subsection (b)(2). Upon receipt of such a request, the Secretary shall determine whether the conditions in paragraphs (1) and (2) of subsection (b) exist in the case of that firm or subsidiary. If the Secretary determines that such conditions do exist, the Secretary shall include the firm or subsidiary on the list.

''(B) A firm or subsidiary of a firm included on the list may request the Secretary to remove such firm or subsidiary from the list on the basis that it has been erroneously included on the list or its ownership circumstances have significantly changed. Upon receipt of such a request, the Secretary shall determine whether the conditions in paragraphs (1) and (2) of subsection (b) exist in the case of that firm or subsidiary. If the Secretary determines that such conditions do not exist, the Secretary shall remove the firm or subsidiary from the list.

''(C) The Secretary shall establish procedures to carry out this paragraph.

''(3) The head of an agency shall prohibit each firm or subsidiary of a firm awarded a contract by the agency from entering into a subcontract under that contract in an amount in excess of $25,000 with a firm or subsidiary included on the list maintained under paragraph (1) unless there is a compelling reason to do so. In the case of any subcontract requiring consent by the head of an agency, the head of the agency shall not consent to the award of the subcontract to a firm or subsidiary included on such list unless there is a compelling reason for such approval.

''(e) DISTRIBUTION OF LIST.—The Administrator of General Services shall ensure that the list developed and maintained under subsection (d) is made available to Federal agencies and the public in the same manner and to the same extent as the list of suspended and debarred contractors compiled pursuant to subpart 9.4 of the Federal Acquisition Regulation.''.

SEC. 844. SENSE OF CONGRESS REGARDING ALLOWABILITY OF COSTS OF EMPLOYEE STOCK OWNERSHIP PLANS.

It is the sense of Congress that the Secretary of Defense should not disallow, under Department of Defense contracts, the following costs:

(1) Interest costs associated with deferred compensation employee stock ownership plans that were incurred before January 1, 1994.

(2) Costs related to employee stock ownership plan (ESOP) debt, control premiums, or marketability discounts associated with the valuation of ESOP stock of closely held companies that were incurred before January 1, 1995.

SEC. 845. EXPANSION OF PERSONNEL ELIGIBLE TO PARTICIPATE IN DEMONSTRATION PROJECT RELATING TO ACQUISITION WORKFORCE.

(a) COVERED PERSONNEL.—(1) Subsection (a) of section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) is amended by adding before the period at the end the following: ''and supporting personnel assigned to work directly with the acquisition workforce''.

(2) Subsection (b)(3)(A) of such section is amended by inserting before the semicolon the following: ''or involves a team of personnel more than half of which consists of members of the acquisition workforce and the remainder of which consists of supporting personnel assigned to work directly with the acquisition workforce''.

(b) COMMENCEMENT OF PROJECT.—Subsection (b)(3)(B) of such section is amended by striking out ''this Act'' and inserting in lieu thereof ''the National Defense Authorization Act for Fiscal Year 1998''.

(c) LIMITATION ON NUMBER OF PARTICIPANTS.—Such section is further amended by adding at the end the following:

''(d) LIMITATION ON NUMBER OF PARTICIPANTS.—The total number of persons who may participate in the demonstration project under this section may not exceed 95,000.''.

SEC. 846. TIME FOR SUBMISSION OF ANNUAL REPORT RELATING TO BUY AMERICAN ACT.

Section 827 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2611; 41 U.S.C. 10b–3) is amended by striking out ''120 days'' and inserting in lieu thereof ''90 days''.

SEC. 847. REPEAL OF REQUIREMENT FOR CONTRACTOR GUARANTEES ON MAJOR WEAPON SYSTEMS.

(a) REPEAL.—Section 2403 of title 10, United States Code, is repealed.

(b) CLERICAL AND CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2403.

(2) Section 803 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2604; 10 U.S.C. 2430 note) is amended—

(A) in subsection (a), by striking out ''2403,'';

(B) by striking out subsection (c); and

(C) by redesignating subsection (d) as subsection (c).

SEC. 848. REQUIREMENTS RELATING TO MICRO-PURCHASES.

(a) REQUIREMENT.—(1) Not later than October 1, 1998, at least 60 percent of all eligible purchases made by the Department of Defense for an amount less than the micro-purchase threshold shall be made through streamlined micro-purchase procedures.

(2) Not later than October 1, 2000, at least 90 percent of all eligible purchases made by the Department of Defense for an amount less than the micro-purchase threshold shall be made through streamlined micro-purchase procedures.

(b) ELIGIBLE PURCHASES.—The Secretary of Defense shall establish which purchases are eligible for purposes of subsection (a). In establishing which purchases are eligible, the Secretary may exclude those categories of purchases determined not to be appropriate or practicable for streamlined micro-purchase procedures.

(c) PLAN.—Not later than March 1, 1998, the Secretary of Defense shall provide to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan to implement this section.

(d) REPORT.—Not later than March 1 in each of the years 1999, 2000, and 2001, the Secretary of Defense shall submit to the congressional defense committees a report on the implementation of this section. Each report shall include—

(A) the total dollar amount of all Department of Defense purchases for an amount less than the micro-purchase threshold in the fiscal year preceding the year in which the report is submitted;

(B) the total dollar amount of such purchases that were considered to be eligible purchases;

(C) the total amount of such eligible purchases that were made through a streamlined micro-purchase method; and

(D) a description of the categories of purchases excluded from the definition of eligible purchases established under subsection (b).

(e) DEFINITIONS.—In this section:

(1) The term ''micro-purchase threshold'' has the meaning provided in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(2) The term ''streamlined micro-purchase procedures'' means procedures providing for the use of the Government-wide commercial purchase card or any other method for carrying out micro-purchases that the Secretary of Defense prescribes in the regulations implementing this subsection.

SEC. 849. PROMOTION RATE FOR OFFICERS IN AN ACQUISITION CORPS.

(a) REVIEW OF ACQUISITION CORPS PROMOTION SELECTIONS.—Upon the approval of the President or his designee of the report of a selection board convened under section 611(a) of title 10, United States Code, which considered members of an Acquisition Corps of a military department for promotion to a grade above O–4, the Secretary of the military department shall submit a copy of the report to the Under Secretary of Defense for Acquisition and Technology for review.

(b) REPORTING REQUIREMENT.—Not later than January 31 of each year, the Under Secretary of Defense for Acquisition and Technology shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the Under Secretary's assessment of the extent to which each military department is complying with the requirement set forth in section 1731(b) of title 10, United States Code.

(c) TERMINATION OF REQUIREMENTS.—This section shall cease to be effective on October 1, 2000.

SEC. 850. USE OF ELECTRONIC COMMERCE IN FEDERAL PROCUREMENT.

(a) POLICY.—Section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426) is amended to read as follows:

''SEC. 30. USE OF ELECTRONIC COMMERCE IN FEDERAL PROCUREMENT.

''(a) IN GENERAL.—The head of each executive agency, after consulting with the Administrator, shall establish, maintain, and use, to the maximum extent that is practicable and cost-effective, procedures and processes that employ electronic commerce in the conduct and administration of its procurement system.

''(b) APPLICABLE STANDARDS.—In conducting electronic commerce, the head of an agency shall apply nationally and internationally recognized standards that broaden interoperability and ease the electronic interchange of information.

''(c) AGENCY PROCEDURES.—The head of each executive agency shall ensure that systems, technologies, procedures, and processes established pursuant to this section—

''(1) are implemented with uniformity throughout the agency, to the extent practicable;

''(2) are implemented only after granting due consideration to the use or partial use, as appropriate, of existing electronic commerce and electronic data interchange systems and infrastructures such as the Federal acquisition computer network architecture known as FACNET;

''(3) facilitate access to Federal Government procurement opportunities, including opportunities for small business concerns, socially and economically disadvantaged small business concerns, and business concerns owned predominantly by women; and

''(4) ensure that any notice of agency requirements or agency solicitation for contract opportunities is provided in a form that allows convenient and universal user access through a single, Government-wide point of entry.

''(d) IMPLEMENTATION.—The Administrator shall, in carrying out the requirements of this section—

''(1) issue policies to promote, to the maximum extent practicable, uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may require departures from uniform procedures and processes in appropriate cases, when warranted because of the agency mission;

''(2) ensure that the head of each executive agency complies with the requirements of subsection (c) with respect to the agency systems, technologies, procedures, and processes established pursuant to this section; and

''(3) consult with the heads of appropriate Federal agencies with applicable technical and functional expertise, including the Office of Information and Regulatory Affairs, the National Institute of Standards and Technology, the General Services Administration, and the Department of Defense.

''(e) REPORT.—Not later than March 1, 1998, and every year afterward through 2003, the Administrator shall submit to Congress a report setting forth in detail the progress made in implementing the requirements of this section. The report shall include the following:

''(1) A strategic plan for the implementation of a Government-wide electronic commerce capability.

''(2) An agency-by-agency summary of implementation of the requirements of subsection (c), including timetables, as appropriate, addressing when individual agencies will come into full compliance.

''(3) A specific assessment of compliance with the requirement in subsection (c) to provide universal public access through a single, Government-wide point of entry.

''(4) Beginning with the report submitted on March 1, 1999, an agency-by-agency summary of the volume and dollar value of transactions that were conducted using electronic commerce methods during the previous calendar year.

''(5) A discussion of possible incremental changes to the electronic commerce capability referred to in subsection (c)(4) to increase the level of government contract information available to the private sector, including an assessment of the advisability of including contract award information in the electronic commerce functional standard.

''(f) ELECTRONIC COMMERCE DEFINED.—For the purposes of this section, the term 'electronic commerce' means electronic techniques for accomplishing business transactions, including electronic mail or messaging, World Wide Web technology, electronic bulletin boards, purchase cards, electronic funds transfers, and electronic data interchange.''.

(b) REPEAL OF REQUIREMENTS FOR IMPLEMENTATION OF FACNET CAPABILITY.—Section 30A of the Office of Federal Procurement Policy Act (41 U.S.C. 426a) is repealed.

(c) REPEAL OF REQUIREMENT FOR GAO REPORT.—Section 9004 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 426a note) is repealed.

(d) REPEAL OF CONDITION FOR USE OF SIMPLIFIED ACQUISITION PROCEDURES.—Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(e) AMENDMENTS TO PROCUREMENT NOTICE REQUIREMENTS.—(1) Section 8(g)(1) of the Small Business Act (15 U.S.C. 637(g)(1)) is amended—

(A) by striking out subparagraphs (A) and (B);

(B) by redesignating subparagraphs (C), (D), (E), (F), (G), and (H) as subparagraphs (B), (C), (D), (E), (F), and (G), respectively; and

(C) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) the proposed procurement is for an amount not greater than the simplified acquisition threshold and is to be conducted by—

''(i) using widespread electronic public notice of the solicitation in a form that allows convenient and universal user access through a single, Government-wide point of entry; and

''(ii) permitting the public to respond to the solicitation electronically.''.

(2) Section 18(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)) is amended—

(A) by striking out subparagraphs (A) and (B);

(B) by redesignating subparagraphs (C), (D), (E), (F), (G), and (H) as subparagraphs (B), (C), (D), (E), (F), and (G), respectively; and

(C) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

''(A) the proposed procurement is for an amount not greater than the simplified acquisition threshold and is to be conducted by—

''(i) using widespread electronic public notice of the solicitation in a form that allows convenient and universal user access through a single, Government-wide point of entry; and

''(ii) permitting the public to respond to the solicitation electronically.''.

(3) The amendments made by paragraphs (1) and (2) shall be implemented in a manner consistent with any applicable international agreements.

(f) CONFORMING AND TECHNICAL AMENDMENTS.—(1) Section 5061 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 413 note) is amended—

(A) in subsection (c)(4)—

(i) by striking out ''the Federal acquisition computer network ('FACNET')'' and inserting in lieu thereof ''the electronic commerce''; and

(ii) by striking out ''(as added by section 9001)''; and

(B) in subsection (e)(9)(A), by striking out '', or by dissemination through FACNET,''.

(2) Section 5401 of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 40 U.S.C. 1501) is amended—

(A) in subsection (a)—

(i) by striking out ''through the Federal Acquisition Computer Network (in this section referred to as 'FACNET')''; and

(ii) by striking out the last sentence;

(B) in subsection (b)—

(i) by striking out ''ADDITIONAL FACNET FUNCTIONS.—'' and all that follows through ''(41 U.S.C. 426(b)), the FACNET architecture'' and inserting in lieu thereof ''FUNCTIONS.—(1) The system for providing on-line computer access''; and

(ii) in paragraph (2), by striking out ''The FACNET architecture'' and inserting in lieu there for ''The system for providing on-line computer access'';

(C) in subsection (c)(1), by striking out ''the FACNET architecture'' and inserting in lieu thereof ''the system for providing on-line computer access''; and

(D) by striking out subsection (d).

(3)(A) Section 2302c of title 10, United States Code, is amended to read as follows:

''§2302c. Implementation of electronic commerce capability

''(a) IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.—(1) The head of each agency named in paragraphs (1), (5) and (6) shall implement the electronic commerce capability required by section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426).

''(2) The Secretary of Defense shall act through the Under Secretary of Defense for Acquisition and Technology to implement the capability within the Department of Defense.

''(3) In implementing the electronic commerce capability pursuant to paragraph (1), the head of an agency referred to in paragraph (1) shall consult with the Administrator for Federal Procurement Policy.

''(b) DESIGNATION OF AGENCY OFFICIAL.—The head of each agency named in paragraph (5) or (6) of section 2303 of this title shall designate a program manager to implement the electronic commerce capability for that agency. The program manager shall report directly to an official at a level not lower than the senior procurement executive designated for the agency under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).''.

(B) Section 2304(g)(4) of such title 10 is amended by striking out ''31(g)'' and inserting in lieu thereof ''31(f)''.

(4)(A) Section 302C of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252c) is amended to read as follows:

''SEC. 302C. IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.

''(a) IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.—(1) The head of each executive agency shall implement the electronic commerce capability required by section 30 of the Office of Federal Procurement Policy Act (41 U.S.C. 426).

''(2) In implementing the electronic commerce capability pursuant to paragraph (1), the head of an executive agency shall consult with the Administrator for Federal Procurement Policy.

''(b) DESIGNATION OF AGENCY OFFICIAL.—The head of each executive agency shall designate a program manager to implement the electronic commerce capability for that agency. The program manager shall report directly to an official at a level not lower than the senior procurement executive designated for the executive agency under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).''.

(B) Section 303(g)(5) of the Federal Property and Administrative Services Act (41 U.S.C. 253(g)(5)) is amended by striking out ''31(g)'' and inserting in lieu thereof ''31(f)''.

(g) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) The repeal made by subsection (c) of this section shall take effect on the date of the enactment of this Act.

SEC. 851. CONFORMANCE OF POLICY ON PERFORMANCE BASED MANAGEMENT OF CIVILIAN ACQUISITION PROGRAMS WITH POLICY ESTABLISHED FOR DEFENSE ACQUISITION PROGRAMS.

(a) PERFORMANCE GOALS.—Section 313(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 263(a)) is amended to read as follows:

''(a) CONGRESSIONAL POLICY.—It is the policy of Congress that the head of each executive agency should achieve, on average, 90 percent of the cost, performance, and schedule goals established for major acquisition programs of the agency.''.

(b) CONFORMING AMENDMENT TO REPORTING REQUIREMENT.—Section 6(k) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(k)) is amended by inserting ''regarding major acquisitions that is'' in the first sentence after ''policy''.

SEC. 852. MODIFICATION OF PROCESS REQUIREMENTS FOR THE SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.

(a) SOURCE SELECTION.—Paragraph (9) of section 5312(c) of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 40 U.S.C. 1492(c)) is amended—

(1) in subparagraph (A), by striking out '', and ranking of alternative sources,'' and inserting in lieu thereof ''or sources,'';

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by inserting ''(or a longer period, if approved by the Administrator)'' after ''30 to 60 days'';

(B) in clause (i), by inserting ''or sources'' after ''source''; and

(C) in clause (ii), by striking out ''that source'' and inserting in lieu thereof ''the source whose offer is determined to be most advantageous to the Government''; and

(3) in subparagraph (C), by striking out ''with alternative sources (in the order ranked)''.

(b) TIME MANAGEMENT DISCIPLINE.—Paragraph (12) of such section is amended by inserting before the period at the end the following: '', except that the Administrator may approve the application of a longer standard period''.

SEC. 853. GUIDANCE AND STANDARDS FOR DEFENSE ACQUISITION WORKFORCE TRAINING REQUIREMENTS.

The Secretary of Defense shall develop appropriate guidance and standards to ensure that the Department of Defense will continue, where appropriate and cost-effective, to enter into contracts for the training requirements of sections 1723, 1724, and 1735 of title 10, United States Code, while maintaining appropriate control over the content and quality of such training.

SEC. 854. STUDY AND REPORT TO CONGRESS ASSESSING DEPENDENCE ON FOREIGN SOURCES FOR RESISTORS AND CAPACITORS.

(a) STUDY.—The Secretary of Defense shall conduct a study of the capacitor and resistor industries in the United States and the degree of United States dependence on foreign sources for resistors and capacitors.

(b) REPORT.—Not later than May 1, 1998, the Secretary shall submit to Congress a report on the results of the study under subsection (a). The report shall include the following:

(1) An assessment of the industrial base for the production of resistors and capacitors within the United States and a projection of any changes in that base that are likely to occur after the implementation of relevant tariff reductions required by the Information Technology Agreement entered into at the World Trade Organization Ministerial in Singapore in December 1996.

(2) An assessment of the level of dependence on foreign sources for procurement of resistors and capacitors and a projection of the level of dependence on foreign sources that is likely to occur after the implementation of relevant tariff reductions required by the Information Technology Agreement.

(3) The implications for the national security of the United States of the projections reported under paragraphs (1) and (2).

(4) Recommendations for appropriate changes, if any, in defense procurement policies or other Federal policies based on such implications.

SEC. 855. DEPARTMENT OF DEFENSE AND FEDERAL PRISON INDUSTRIES JOINT STUDY.

(a) STUDY OF EXISTING PROCUREMENT PROCEDURES.—The Secretary of Defense and the Director of Federal Prison Industries shall jointly conduct a study of the procurement procedures, regulations, and statutes that govern procurement transactions between the Department of Defense and Federal Prison Industries.

(b) REPORT.—(1) The Secretary and the Director shall, not later than 180 days after the date of the enactment of this Act, submit to the committees listed in paragraph (2) a report containing the findings of the study and recommendations on the means to improve the efficiency and reduce the cost of transactions described in subsection (a).

(2) The committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services and the Committee on the Judiciary of the Senate.

(B) The Committee on National Security and the Committee on the Judiciary of the House of Representatives.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Positions and Organizations and Other General Matters

Sec. 901. Assistants to the Chairman of the Joint Chiefs of Staff for National Guard matters and for Reserve matters.
Sec. 902. Use of CINC Initiative Fund for force protection.
Sec. 903. Revision to required frequency for provision of policy guidance for contingency plans.
Sec. 904. Annual justification for Department of Defense advisory committees.
Sec. 905. Airborne reconnaissance management.
Sec. 906. Termination of the Armed Services Patent Advisory Board.
Sec. 907. Coordination of Department of Defense criminal investigations and audits.

Subtitle B—Department of Defense Personnel Management

Sec. 911. Reduction in personnel assigned to management headquarters and headquarters support activities.
Sec. 912. Defense acquisition workforce.

Subtitle C—Department of Defense Schools and Centers

Sec. 921. Professional military education schools.
Sec. 922. Center for Hemispheric Defense Studies.
Sec. 923. Correction to reference to George C. Marshall European Center for Security Studies.

Subtitle D—Department of Defense Intelligence-Related Matters

Sec. 931. Transfer of certain military department programs from TIARA budget aggregation.
Sec. 932. Report on coordination of access of commanders and deployed units to intelligence collected and analyzed by the intelligence community.
Sec. 933. Protection of imagery, imagery intelligence, and geospatial information and data.
Sec. 934. POW/MIA intelligence analysis.

Subtitle A—Department of Defense Positions and Organizations and Other General Matters

SEC. 901. ASSISTANTS TO THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF FOR NATIONAL GUARD MATTERS AND FOR RESERVE MATTERS.

(a) ESTABLISHMENT OF POSITIONS.—The Secretary of Defense shall establish the following positions within the Joint Staff:

(1) Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters.

(2) Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters.

(b) SELECTION.—(1) The Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters shall be selected by the Chairman from officers of the Army National Guard of the United States or the Air Guard of the United States who—

(A) are recommended for such selection by their respective Governors or, in the case of the District of Columbia, the commanding general of the District of Columbia National Guard;

(B) have had at least 10 years of federally recognized commissioned service in the National Guard; and

(C) are in a grade above the grade of colonel.

(2) The Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters shall be selected by the Chairman from officers of the Army Reserve, the Naval Reserve, the Marine Corps Reserve or the Air Force Reserve who—

(A) are recommended for such selection by the Secretary of the military department concerned;

(B) have had at least 10 years of commissioned service in their reserve component; and

(C) are in a grade above the grade of colonel or, in the case of the Naval Reserve, captain.

(c) TERM OF OFFICE.—Each Assistant to the Chairman under subsection (a) serves at the pleasure of the Chairman for a term of two years and may be continued in that assignment in the same manner for one additional term. However, in time of war there is no limit on the number of terms.

(d) GRADE.—Each Assistant to the Chairman, while so serving, holds the grade of major general or, in the case of the Naval Reserve, rear admiral. Each such officer shall be considered to be serving in a position external to that officer's Armed Force for purposes of section 721 of title 10, United States Code, as added by section 501(a).

(e) DUTIES.—The Assistant to the Chairman for National Guard Matters is an adviser to the Chairman on matters relating to the National Guard and performs the duties prescribed for that position by the Chairman. The Assistant to the Chairman for Reserve Matters is an adviser to the Chairman on matters relating to the reserves and performs the duties prescribed for that position by the Chairman.

(f) OTHER RESERVE COMPONENT REPRESENTATION ON JOINT STAFF.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs, shall develop appropriate policy guidance to ensure that, to the maximum extent practicable, the level of reserve component officer representation within the Joint Staff is commensurate with the significant role of the reserve components within the Total Force.

(2) Not later than March 1, 1998, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the steps taken and being taken to implement this subsection.

(g) EFFECTIVE DATE.—The positions specified in subsection (a) shall be established by the Secretary of Defense not later than 60 days after the date of the enactment of this Act.

SEC. 902. USE OF CINC INITIATIVE FUND FOR FORCE PROTECTION.

Section 166a(b) of title 10, United States Code, is amended by adding at the end the following:

''(9) Force protection.''.

SEC. 903. REVISION TO REQUIRED FREQUENCY FOR PROVISION OF POLICY GUIDANCE FOR CONTINGENCY PLANS.

Section 113(g)(2) of title 10, United States Code, is amended—

(1) in the first sentence, by striking out ''annually''; and

(2) in the second sentence, by inserting ''be provided every two years or more frequently as needed and shall'' after ''Such guidance shall''.

SEC. 904. ANNUAL JUSTIFICATION FOR DEPARTMENT OF DEFENSE ADVISORY COMMITTEES.

(a) ANNUAL JUSTIFICATION REQUIRED.—Chapter 7 of title 10, United States Code, is amended by adding after section 182, as added by section 382(a)(1), the following new section:

''§ 183. Advisory committees: annual justification required

''(a) ANNUAL REPORT.—The Secretary of Defense shall include in the annual report of the Secretary under section 113(c) of this title a report on advisory committees of the Department of Defense. In each such report, the Secretary shall—

''(1) identify each advisory committee that the Secretary proposes to support, or that the Secretary is required by law or direction from the President to support, during the next fiscal year; and

''(2) for each committee identified under paragraph (1), set forth—

''(A) the justification or requirement for that committee; and

''(B) the projected cost to the Department of Defense to support that committee during the next fiscal year.

''(b) ADVISORY COMMITTEE DEFINED.—In this section, the term 'advisory committee' means an

entity that is subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 182, as added by section 382(a)(2), the following new item:

''183. Advisory committees: annual justification required.''.

SEC. 905. AIRBORNE RECONNAISSANCE MANAGEMENT.

(a) REORGANIZATION OF DEFENSE AIRBORNE RECONNAISSANCE MANAGEMENT.—Not later than September 30, 1998, the Secretary of Defense shall reorganize the management of defense airborne reconnaissance within the Department Defense in accordance with the plan developed under subsection (b).

(b) PLAN AND REPORT.—(1) The Secretary of Defense shall develop a plan to reorganize the following organizations by transferring functions as required under subsections (c) and (d):

(A) The organization within the Department of Defense that is subordinate to the Under Secretary of Defense for Acquisition and Technology and known as the Defense Airborne Reconnaissance Office.

(B) The organization within the Department of Defense that is subordinate to the Secretary of the Navy and known as the Unmanned Aerial Vehicle Joint Program Office

(2) The Secretary shall submit to the congressional defense committees a report containing—

(A) the plan developed under paragraph (1); and

(B) an explanation of how the plan addresses the findings and recommendations in the final report of the Task Force on Defense Reform (established by the Secretary of Defense on May 14, 1997, and headed by the Deputy Secretary of Defense).

(3) The plan under paragraph (1) shall be developed, and the report under paragraph (2) shall be submitted, not later than March 1, 1998.

(c) TRANSFER OF CERTAIN FUNCTIONS TO SECRETARIES OF MILITARY DEPARTMENTS.—(1) Not later than September 30, 1998, the Secretary of Defense shall transfer to the Secretaries of the military departments those functions specified in paragraph (2) that were performed on the day before the date of the enactment this Act by the Defense Airborne Reconnaissance Office and the Unmanned Aerial Vehicle Joint Program Office.

(2) The functions referred to in paragraph (1) are the functions of the Defense Airborne Reconnaissance Office and the Unmanned Aerial Vehicle Joint Program Office relating to their responsibilities for acquisition of systems, budgeting, program management (for research, development, test, and evaluation, for procurement, for life-cycle support, and for operations), and related responsibilities for individual airborne reconnaissance programs.

(d) TRANSFER OF CERTAIN FUNCTIONS TO DEFENSE AIRBORNE RECONNAISSANCE OFFICE.—(1) Not later than September 30, 1998, the Secretary of Defense shall transfer to the Defense Airborne Reconnaissance Office those functions specified in paragraph (2) that were performed on the day before the date of the enactment of this Act by the Unmanned Aerial Vehicle Joint Program Office.

(2) The functions referred to in paragraph (1) are the functions of the Unmanned Aerial Vehicle Joint Program Office relating to its responsibilities for management and oversight of defense airborne reconnaissance architecture, requirements, and system interfaces (other than the responsibilities specified in subsection (c)(2)).

SEC. 906. TERMINATION OF THE ARMED SERVICES PATENT ADVISORY BOARD.

(a) TERMINATION OF BOARD.—The organization within the Department of Defense known as the Armed Services Patent Advisory Board is terminated. No funds available for the Department of Defense may be used for the operation of that Board after the effective date specified in subsection (c).

(b) TRANSFER OF FUNCTIONS.—All functions performed on the day before the date of the enactment of this Act by the Armed Services Patent Advisory Board (including performance of the responsibilities of the Department of Defense for security review of patent applications under chapter 17 of title 35, United States Code) shall be transferred to the Defense Technology Security Administration.

(c) EFFECTIVE DATE.—Subsection (a) shall take effect at the end of the 120-day period beginning on the date of the enactment of this Act.

SEC. 907. COORDINATION OF DEPARTMENT OF DEFENSE CRIMINAL INVESTIGATIONS AND AUDITS.

(a) MILITARY DEPARTMENT CRIMINAL INVESTIGATIVE ORGANIZATIONS.—(1) The heads of the military department criminal investigative organizations shall take such action as may be practicable to conserve the limited resources available to the military department criminal investigative organizations by sharing personnel, expertise, infrastructure, training, equipment, software, and other resources.

(2) The heads of the military department criminal investigative organizations shall meet on a regular basis to determine the manner in which and the extent to which the military department criminal investigative organizations will be able to share resources.

(b) DEFENSE AUDITING ORGANIZATIONS.—(1) The heads of the defense auditing organizations shall take such action as may be practicable to conserve the limited resources available to the defense auditing organizations by sharing personnel, expertise, infrastructure, training, equipment, software, and other resources.

(2) The heads of the defense auditing organizations shall meet on a regular basis to determine the manner in which and the extent to which the defense auditing organizations will be able to share resources.

(c) IMPLEMENTATION PLAN.—Not later than December 31, 1997, the Secretary of Defense shall submit to Congress a plan designed to maximize the resources available to the military department criminal investigative organizations and the defense auditing organizations, as required by this section.

(d) DEFINITIONS.—For purposes of this section:

(1) The term ''military department criminal investigative organizations'' means—

(A) the Army Criminal Investigation Command;

(B) the Naval Criminal Investigative Service; and

(C) the Air Force Office of Special Investigations.

(2) The term ''defense auditing organizations'' means—

(A) the Office of the Inspector General of the Department of Defense;

(B) the Defense Contract Audit Agency;

(C) the Army Audit Agency;

(D) the Naval Audit Service; and

(E) the Air Force Audit Agency.

Subtitle B—Department of Defense Personnel Management

SEC. 911. REDUCTION IN PERSONNEL ASSIGNED TO MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES.

(a) IN GENERAL.—(1) Chapter 3 of title 10, United States Code, is amended by adding at the end the following new section:

''§130a. Management headquarters and headquarters support activities personnel: limitation

''(a) LIMITATION.—Effective October 1, 2002, the number of management headquarters and headquarters support activities personnel in the Department of Defense may not exceed 75 percent of the baseline number.

''(b) PHASED REDUCTION.—The number of management headquarters and headquarters support activities personnel in the Department of Defense—

''(1) as of October 1, 1998, may not exceed 95 percent of the baseline number;

''(2) as of October 1, 1999, may not exceed 90 percent of the baseline number;

''(3) as of October 1, 2000, may not exceed 85 percent of the baseline number; and

''(4) as of October 1, 2001, may not exceed 80 percent of the baseline number.

''(c) BASELINE NUMBER.—In this section, the term 'baseline number' means the number of management headquarters and headquarters support activities personnel in the Department of Defense as of October 1, 1997.

''(d) LIMITATION ON MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT PERSONNEL ASSIGNED TO THE UNITED STATES TRANSPORTATION COMMAND.—(1) Effective October 1, 1998, the number of management headquarters activities and management headquarters support activities personnel assigned to, or employed in, the United States Transportation Command may not exceed the number equal to 95 percent of the number of such personnel as of October 1, 1997.

''(2) For purposes of paragraph (1), the United States Transportation Command shall be considered to include the following:

''(A) The United States Transportation Command Headquarters.

''(B) The Air Mobility Command of the Air Force.

''(C) The Military Sealift Command of the Navy.

''(D) The Military Traffic Management Command of the Army.

''(E) The Defense Courier Service.

''(F) Any other element of the Department of Defense assigned to the United States Transportation Command.

''(3) The Secretary of Defense may waive or suspend operation of paragraph (1) in the event of a war or national emergency.

''(e) MANAGEMENT HEADQUARTERS AND HEADQUARTERS SUPPORT ACTIVITIES PERSONNEL DEFINED.—In this section:

''(1) The term 'management headquarters and headquarters support activities personnel' means military and civilian personnel of the Department of Defense who are assigned to, or employed in, functions in management headquarters activities or in management headquarters support activities.

''(2) The terms 'management headquarters activities' and 'management headquarters support activities' have the meanings given those terms in Department of Defense Directive 5100.73, entitled 'Department of Defense Management Headquarters and Headquarters Support Activities', as in effect on November 12, 1996.

''(f) LIMITATION ON REASSIGNMENT OF FUNCTIONS.—In carrying out reductions in the number of personnel assigned to, or employed in, management headquarters and headquarters support activities in order to comply with this section, the Secretary of Defense and the Secretaries of the military departments may not reassign functions in order to evade the requirements of this section.

''(g) FLEXIBILITY.—If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (b) with respect to any fiscal year would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. If the Secretary of Defense determines, and certifies to Congress, that the limitation in subsection (a) during fiscal year 2001 would adversely affect United States national security, the Secretary may waive the limitation under that subsection with respect to that fiscal year. The authority under this subsection may be used only once, with respect to a single fiscal year.''.

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

''130a. Management headquarters and headquarters support activities personnel: limitation.''.

(b) IMPLEMENTATION REPORT.—Not later than January 15, 1998, the Secretary of Defense shall submit to Congress a report—

(1) containing a plan to achieve the personnel reductions required by section 130a of title 10, United States Code, as added by subsection (a); and

(2) including the recommendations of the Secretary regarding—

(A) the revision, replacement, or augmentation of Department of Defense Directive 5100.73, entitled ''Department of Defense Management Headquarters and Headquarters Support Activities'', as in effect on November 12, 1996; and

(B) the revision of the definitions of the terms ''management headquarters activities'' and ''management headquarters support activities'' under that Directive so that those terms apply uniformly throughout the Department of Defense.

(c) DUTIES OF TASK FORCE ON DEFENSE REFORM TO INCLUDE CONSIDERATION OF MANAGEMENT HEADQUARTERS ACTIVITIES.—(1) The Secretary of Defense shall require that the areas of study of the Task Force on Defense Reform (established by the Secretary of Defense on May 14, 1997, and headed by the Deputy Secretary of Defense) include an examination of the missions, functions, and responsibilities of the various management headquarters activities and management headquarters support activities of the Department of Defense. In carrying out that examination of those activities, the Task Force shall identify areas of duplication in those activities and recommend to the Secretary options to streamline, reduce, and eliminate redundancies.

(2) The examination of the missions, functions, and responsibilities of the various management headquarters activities and management headquarters support activities of the Department of Defense under paragraph (1) shall include the following:

(A) An assessment of benefits of consolidation or selected elimination of Department of Defense management headquarters activities and management headquarters support activities.

(B) An assessment of the opportunities to streamline the management headquarters and management headquarters support infrastructure that were realized as a result of the enactment of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106) or as result of other management reform initiatives implemented administratively during the period from 1993 through 1997.

(C) An assessment of such other options for streamlining or restructuring the management headquarters and management headquarters support infrastructure as the Task Force considers appropriate and as can be carried out under existing provisions of law.

(3) Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the results of the examination by the Task Force under this subsection. The Secretary shall include in the report any report to the Secretary from the Task Force with respect to the matters described in paragraphs (1) and (2).

(d) CODIFICATION OF PRIOR PERMANENT LIMITATION ON OSD PERSONNEL.—(1) Chapter 4 of title 10, United States Code, is amended by adding at the end a new section 143 consisting of—

(A) a heading as follows:

''§ 143. Office of the Secretary of Defense personnel: limitation'';

and

(B) a text consisting of the text of subsections (a) through (f) of section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2617).

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

''143. Office of the Secretary of Defense personnel: limitation.''.

(3) Section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2617) is repealed.

SEC. 912. DEFENSE ACQUISITION WORKFORCE.

(a) REDUCTION OF DEFENSE ACQUISITION WORKFORCE.—(1) The Secretary of Defense shall accomplish reductions in defense acquisition personnel positions during fiscal year 1998 so that the total number of such personnel as of October 1, 1998, is less than the total number of such personnel as of October 1, 1997, by at least the applicable number determined under paragraph (2).

(2)(A) The applicable number for purposes of paragraph (1) is 25,000. However, the Secretary of Defense may specify a lower number, which may not be less than 10,000, as the applicable number for purposes of paragraph (1) if the Secretary determines, and certifies to Congress not later than June 1, 1998, that an applicable number greater than the number specified by the Secretary would be inconsistent with the cost-effective management of the defense acquisition system to obtain best value equipment and would adversely affect military readiness.

(B) The Secretary shall include with such a certification a detailed explanation of each of the matters certified.

(C) The authority of the Secretary under subparagraph (A) may only be delegated to the Deputy Secretary of Defense.

(3) For purposes of this subsection, the term ''defense acquisition personnel'' means military and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58 dated January 14, 1992).

(b) REPORT ON SPECIFIC ACQUISITION POSITIONS PREVIOUSLY ELIMINATED.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on reductions in the defense acquisition workforce made since fiscal year 1989. The report shall show aggregate reductions by fiscal year and shall show for each fiscal year reductions identified by specific job title, classification, or position. The report shall also identify those reductions carried out pursuant to law (and how the Secretary implemented any statutory requirement for such reductions, including definition of the workforce subject to the reduction) and those reductions carried out as a result of base closures and realignments under the so-called BRAC process. The Secretary shall include in the report a definition of the term ''defense acquisition workforce'' that is to be applied uniformly throughout the Department of Defense.

(c) IMPLEMENTATION PLAN TO STREAMLINE AND IMPROVE ACQUISITION ORGANIZATIONS.—(1) Not later than April 1, 1998, the Secretary of Defense shall submit to Congress a report containing a plan to streamline the acquisition organizations, workforce, and infrastructure of the Department of Defense. The Secretary shall include with the report a detailed discussion of the recommendations of the Secretary based on the review under subsection (d) and the assessment of the Task Force on Defense Reform pursuant to subsection (e), together with a request for the enactment of any legislative changes necessary for implementation of the plan. The Secretary shall include in the report the results of the review under subsection (d) and the independent assessment of the Task Force on Defense Reform pursuant to subsection (e).

(2) In carrying out this subsection and subsection (d), the Secretary of Defense shall formally consult with the Chairman of the Joint Chiefs of Staff, the Director of Program Analysis and Evaluation, the Under Secretary of Defense (Comptroller), and the Under Secretary for Acquisition and Technology.

(d) REVIEW OF ACQUISITION ORGANIZATIONS AND FUNCTIONS.—The Secretary of Defense shall conduct a review of the organizations and functions of the Department of Defense acquisition activities and of the personnel required to carry out those functions. The review shall identify the following:

(1) Opportunities for cross-service, cross-functional arrangements within the military services and defense agencies.

(2) Specific areas of overlap, duplication, and redundancy among the various acquisition organizations.

(3) Opportunities to further streamline acquisition processes.

(4) Benefits of an enhanced Joint Requirements Oversight Council in the acquisition process.

(5) Alternative consolidation options for acquisition organizations.

(6) Alternative methods for performing industry oversight and quality assurance.

(7) Alternative options to shorten the procurement cycle.

(8) Alternative acquisition infrastructure reduction options within current authorities.

(9) Alternative organizational arrangements that capitalize on core acquisition competencies among the military services and defense agencies.

(10) Future acquisition personnel requirements of the Department.

(11) Adequacy of the Program, Plans, and Budgeting System in fulfilling current and future acquisition needs of the Department.

(12) Effect of technology and advanced management tools in the future acquisition system.

(13) Applicability of more flexible alternative approaches to the current civil service system for the acquisition workforce.

(14) Adequacy of Department of Defense Instruction numbered 5000.58 dated January 14, 1992.

(e) DUTIES OF TASK FORCE ON DEFENSE REFORM TO INCLUDE CONSIDERATION OF ACQUISITION ORGANIZATIONS.—(1) The Secretary of Defense shall require that the areas of study of the Task Force on Defense Reform (established by the Secretary of Defense on May 14, 1997, and headed by the Deputy Secretary of Defense) include an examination of the missions, functions, and responsibilities of the various acquisition organizations of the Department of Defense, including the acquisition workforce of the Department. In carrying out that examination of those organizations and that workforce, the Task Force shall identify areas of duplication in defense acquisition organization and recommend to the Secretary options to streamline, reduce, and eliminate redundancies.

(2) The examination of the missions, functions, and responsibilities of the various acquisition organizations of the Department of Defense under paragraph (1) shall include the following:

(A) An assessment of benefits of consolidation or selected elimination of Department of Defense acquisition organizations.

(B) An assessment of the opportunities to streamline the defense acquisition infrastructure that were realized as a result of the enactment of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) and the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106) or as result of other acquisition reform initiatives implemented administratively during the period from 1993 through 1997.

(C) An assessment of such other options for streamlining or restructuring the defense acquisition infrastructure as the Task Force considers appropriate and as can be carried out under existing provisions of law.

(3) Not later than March 1, 1998, the Task Force shall submit to the Secretary a report on

the results of its review of the acquisition organizations of the Department of Defense, including any recommendations of the Task Force for improvements to those organizations.

(f) TECHNICAL REFERENCE CORRECTION.—Section 1721(c) of title 10, United States Code, is amended by striking out ''November 25, 1988'' and inserting in lieu thereof ''November 12, 1996''.

Subtitle C—Department of Defense Schools and Centers

SEC. 921. PROFESSIONAL MILITARY EDUCATION SCHOOLS.

(a) COMPONENT INSTITUTIONS OF THE NATIONAL DEFENSE UNIVERSITY.—(1) Chapter 108 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2165. National Defense University: component institutions

''(a) IN GENERAL.—There is a National Defense University in the Department of Defense.

''(b) COMPONENT INSTITUTIONS.—The National Defense University consists of the following institutions:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Armed Forces Staff College.

''(4) The Institute for National Strategic Studies.

''(5) The Information Resources Management College.''.

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

''2165. National Defense University: component institutions.''.

(b) MARINE CORPS UNIVERSITY AS PROFESSIONAL MILITARY EDUCATION SCHOOL.—Subsection (d) of section 2162 of such title is amended to read as follows:

''(d) PROFESSIONAL MILITARY EDUCATION SCHOOLS.—This section applies to each of the following professional military education schools:

''(1) The National Defense University.

''(2) The Army War College.

''(3) The College of Naval Warfare.

''(4) The Air War College.

''(5) The United States Army Command and General Staff College.

''(6) The College of Naval Command and Staff.

''(7) The Air Command and Staff College.

''(8) The Marine Corps University.''.

(c) REPEAL OF DUPLICATIVE DEFINITION.—Section 1595(d) of such title is amended—

(1) by striking out ''(1)'' before ''In the case of''; and

(2) by striking out paragraph (2).

SEC. 922. CENTER FOR HEMISPHERIC DEFENSE STUDIES.

(a) INSTITUTION OF THE NATIONAL DEFENSE UNIVERSITY.—Subsection (b) of section 2165 of title 10, United States Code, as added by section 921(a)(1), is amended by adding at the end the following new paragraph:

''(6) The Center for Hemispheric Defense Studies.''.

(b) CIVILIAN FACULTY MEMBERS.—Section 1595 of title 10, United States Code, is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

''(e) APPLICABILITY TO DIRECTOR AND DEPUTY DIRECTOR AT CERTAIN INSTITUTIONS.—In addition to the persons specified in subsection (a), this section also applies with respect to the Director and the Deputy Director of the following:

''(1) The George C. Marshall European Center for Security Studies.

''(2) The Asia-Pacific Center for Security Studies.

''(3) The Center for Hemispheric Defense Studies.''.

SEC. 923. CORRECTION TO REFERENCE TO GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

(a) CORRECTION TO REFERENCE TO NAME OF CENTER.—Subsection (a) of section 506 of the Intelligence Authorization Act, Fiscal Year 1990 (Public Law 101–193; 8 U.S.C. 1430 note), is amended by striking out ''the United States Army Russian Institute'' and inserting in lieu thereof ''the George C. Marshall European Center for Security Studies''.

(b) SECTION HEADING.—The heading of such section is amended to read as follows:

''REQUIREMENTS FOR CITIZENSHIP FOR STAFF OF GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES''.

Subtitle D—Department of Defense Intelligence Matters

SEC. 931. TRANSFER OF CERTAIN MILITARY DEPARTMENT PROGRAMS FROM TIARA BUDGET AGGREGATION.

(a) TRANSFER.—Effective March 1, 1998, the Secretary of Defense shall, for each program identified by the Secretary under subsection (c)(2), transfer the management and budgeting of funds for that program from the TIARA budget aggregation to a nonintelligence budget activity of the military department responsible for that program.

(b) ASSESSMENT.—The Secretary of Defense shall conduct an assessment of the policy of the Department of Defense that is used for determining the programs of the Department that are included within the TIARA budget aggregation. In conducting the assessment, the Secretary—

(1) shall consider whether the current policy is in need of revision to reflect changes in technology and battlefield use of TIARA systems;

(2) shall specifically consider the appropriateness of the continued inclusion in the TIARA budget aggregation of each of the programs described in subsection (e); and

(3) may consider the appropriateness of the continued inclusion in the TIARA budget aggregation of any other program (in addition to the programs described to in subsection (e)) that as of the date of the enactment of this Act is managed and budgeted as part of the TIARA budget aggregation.

(c) REPORT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on the assessment carried out under section (b). The Secretary shall include in the report—

(1) a description of any proposed changes to Department of Defense policies for determining which programs are included in the TIARA budget aggregation; and

(2) identification of each program (among the programs considered pursuant to paragraphs (2) and (3) of subsection (b)) for which the management and budgeting of funds is to be transferred under subsection (a).

(d) IDENTIFICATION OF PROGRAMS.—(1) In specifying the programs to be included on the list under subsection (c)(2), the Secretary—

(A) shall (except as otherwise provided pursuant to a waiver under paragraph (2)) include each program described in subsection (e); and

(B) may include such additional programs considered in the assessment pursuant to subsection (b)(3) as the Secretary determines appropriate.

(2) The Secretary, after considering the results of the assessment under subsection (c), may waive the applicability of paragraph (1)(A) to any program described in subsection (e). The Secretary shall include in the report under subsection (c) identification of each such program for which the Secretary has granted such a waiver and supporting rationale for each waiver.

(e) COVERED PROGRAMS.—The programs described in this subsection are the following (each of which, as of the date of the enactment of this Act, is managed and budgeted as part of the TIARA budget aggregation):

(1) Each targeting or target acquisition program of the Department of Defense, including the Joint Surveillance and Target Attack Radar System (JSTARS) and the Advanced Deployable System.

(2) Each Tactical Warning and Attack Assessment program of the Department of Defense, including the Defense Support Program, the Space-Based Infrared Program, and early warning radars.

(3) Each tactical communications system of the Department of Defense, including the Joint Tactical Terminal.

(f) TIARA BUDGET AGGREGATION DEFINED.—For purposes of this section, the term ''TIARA budget aggregation'' means the aggregation of programs of the Department of Defense for which funds are managed and budgeted through a common designation as Tactical Intelligence and Related Activities (TIARA) of the Department of Defense.

SEC. 932. REPORT ON COORDINATION OF ACCESS OF COMMANDERS AND DEPLOYED UNITS TO INTELLIGENCE COLLECTED AND ANALYZED BY THE INTELLIGENCE COMMUNITY.

(a) FINDINGS.—Congress makes the following findings:

(1) Coordination of operational intelligence support for the commanders of the combatant commands and deployed units of the Armed Forces has proven to be inadequate.

(2) Procedures used to reconcile information among various intelligence community and Department of Defense data bases have proven to be inadequate and, being inadequate, have diminished the usefulness of that information and have precluded commanders and planners within the Armed Forces from fully benefiting from key information that should have been available to them.

(3) Excessive compartmentalization of responsibilities and information within the Department of Defense and the other elements of the intelligence community has resulted in inaccurate analysis of important intelligence material.

(4) Excessive restrictions on the distribution of information within the executive branch have disadvantaged units of the Armed Forces that would have benefited most from the information.

(5) Procedures used in the Department of Defense to ensure that critical intelligence information is provided to the right combat units in a timely manner failed during the Persian Gulf War and, as a result, information about potential chemical weapons storage locations did not reach the units that eventually destroyed those storage areas.

(6) A recent, detailed review of the events leading to and following the destruction of chemical weapons by members of the Armed Forces at Khamisiyah, Iraq, during the Persian Gulf War has revealed a number of inadequacies in the way the Department of Defense and the other elements of the intelligence community handled, distributed, recorded, and stored intelligence information about the threat of exposure of United States forces to chemical weapons and the toxic agents in those weapons.

(7) The inadequacy of procedures for recording the receipt of, and reaction to, intelligence reports provided by the intelligence community to combat units of the Armed Forces during the Persian Gulf War has caused it to be impossible to analyze the failures in transmission of intelligence-related information on the location of chemical weapons at Khamisiyah, Iraq, that resulted in the demolition of chemical weapons by members of the Armed Forces unaware of the hazards to which they were exposed.

(b) REPORT REQUIREMENT.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report that identifies the specific actions that have been taken or are being taken to ensure that there is adequate coordination of access of commanders of the combatant commands and deployed units of the Armed Forced to intelligence collected and analyzed by the intelligence community.

SEC. 933. PROTECTION OF IMAGERY, IMAGERY INTELLIGENCE, AND GEOSPATIAL INFORMATION AND DATA.

(a) PROTECTION OF INFORMATION ON CAPABILITIES.—Paragraph (1)(B) of section 455(b) of

title 10, United States Code, is amended by inserting '', or capabilities,'' after ''methods''.

(b) PRODUCTS PROTECTED.—(1) Paragraph (2) of such section is amended to read as follows:

''(2) In this subsection, the term 'geodetic product' means imagery, imagery intelligence, or geospatial information.''.

(2) Section 467(4) of title 10, United States Code, is amended—

(A) by inserting ''and'' at the end of subparagraph (A);

(B) in subparagraph (B), by striking out ''and geodetic data; and'' and inserting in lieu thereof ''geodetic data, and related products.''; and

(C) by striking out subparagraph (C).

SEC. 934. POW/MIA INTELLIGENCE ANALYSIS.

(a) INTELLIGENCE ANALYSIS.—The Director of Central Intelligence, in consultation with the Secretary of Defense, shall provide intelligence analysis on matters concerning prisoners of war and missing persons (as defined in chapter 76 of title 10, United States Code) to all departments and agencies of the Federal Government involved in such matters.

(b) USE OF INTELLIGENCE IN ANALYSIS OF POW/MIA CASES IN DEPARTMENT OF DEFENSE.—The Secretary of Defense shall ensure that the Defense Prisoner of War/Missing Personnel Office of the Department of Defense takes into full account all intelligence regarding matters concering of prisoners of war and missing persons (as defined in chapter 76 of title 10, United States Code) in analyzing cases involving such persons.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of classified annex.
Sec. 1003. Authority for obligation of unauthorized fiscal year 1997 defense appropriations.
Sec. 1004. Authorization of prior emergency supplemental appropriations for fiscal year 1997.
Sec. 1005. Increase in fiscal year 1996 transfer authority.
Sec. 1006. Revision of authority for Fisher House trust funds.
Sec. 1007. Flexibility in financing closure of certain outstanding contracts for which a small final payment is due.
Sec. 1008. Biennial financial management improvement plan.
Sec. 1009. Estimates and requests for procurement and military construction for the reserve components.
Sec. 1010. Sense of Congress regarding funding for reserve component modernization not requested in President's budget.
Sec. 1011. Management of working-capital funds.
Sec. 1012. Authority of Secretary of Defense to settle claims relating to pay, allowances, and other benefits.
Sec. 1013. Payment of claims by members for loss of personal property due to flooding in Red River Basin.
Sec. 1014. Advances for payment of public services.
Sec. 1015. United States Man and the Biosphere Program limitation.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Procedures for sale of vessels stricken from the Naval Vessel Register.
Sec. 1022. Authority to enter into a long-term charter for a vessel in support of the Surveillance Towed-Array Sensor (SURTASS) program.
Sec. 1023. Transfer of two specified obsolete tugboats of the Army.
Sec. 1024. Congressional review period with respect to transfer of ex-U.S.S. Hornet (CV–12) and ex-U.S.S. Midway (CV–41).
Sec. 1025. Transfers of naval vessels to certain foreign countries.
Sec. 1026. Reports relating to export of vessels that may contain polychlorinated biphenyls.
Sec. 1027. Conversion of defense capability preservation authority to Navy shipbuilding capability preservation authority.

Subtitle C—Counter-Drug Activities

Sec. 1031. Use of National Guard for State drug interdiction and counter-drug activities.
Sec. 1032. Authority to provide additional support for counter-drug activities of Mexico.
Sec. 1033. Authority to provide additional support for counter-drug activities of Peru and Colombia.
Sec. 1034. Annual report on development and deployment of narcotics detection technologies.

Subtitle D—Miscellaneous Report Requirements and Repeals

Sec. 1041. Repeal of miscellaneous reporting requirements.
Sec. 1042. Study of transfer of modular airborne fire fighting system.
Sec. 1043. Overseas infrastructure requirements.
Sec. 1044. Additional matters for annual report on activities of the General Accounting Office.
Sec. 1045. Eye safety at small arms firing ranges.
Sec. 1046. Reports on Department of Defense procedures for investigating military aviation accidents and for notifying and assisting families of victims.

Subtitle E—Matters Relating to Terrorism

Sec. 1051. Oversight of counterterrorism and antiterrorism activities; report.
Sec. 1052. Provision of adequate troop protection equipment for Armed Forces personnel engaged in peace operations; report on antiterrorism activities and protection of personnel.

Subtitle F—Matters Relating to Defense Property

Sec. 1061. Lease of nonexcess personal property of military departments.
Sec. 1062. Lease of nonexcess property of Defense Agencies.
Sec. 1063. Donation of excess chapel property to churches damaged or destroyed by arson or other acts of terrorism.
Sec. 1064. Authority of the Secretary of Defense concerning disposal of assets under cooperative agreements on air defense in Central Europe.
Sec. 1065. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.
Sec. 1066. Transfer of B–17 aircraft to museum.
Sec. 1067. Report on disposal of excess and surplus materials.

Subtitle G—Other Matters

Sec. 1071. Authority for special agents of the Defense Criminal Investigative Service to execute warrants and make arrests.
Sec. 1072. Study of investigative practices of military criminal investigative organizations relating to sex crimes.
Sec. 1073. Technical and clerical amendments.
Sec. 1074. Sustainment and operation of the Global Positioning System.
Sec. 1075. Protection of safety-related information voluntarily provided by air carriers.
Sec. 1076. National Guard Challenge Program to create opportunities for civilian youth.
Sec. 1077. Disqualification from certain burial-related benefits for persons convicted of capital crimes.
Sec. 1078. Restrictions on the use of human subjects for testing of chemical or biological agents.
Sec. 1079. Treatment of military flight operations.
Sec. 1080. Naturalization of certain foreign nationals who serve honorably in the Armed Forces during a period of conflict.
Sec. 1081. Applicability of certain pay authorities to members of specified independent study organizations.
Sec. 1082. Display of POW/MIA flag.
Sec. 1083. Program to commemorate 50th anniversary of the Korean conflict.
Sec. 1084. Commendation of members of the Armed Forces and Government civilian personnel who served during the Cold War; certificate of recognition.
Sec. 1085. Sense of Congress on granting of statutory Federal charters.
Sec. 1086. Sense of Congress regarding military voting rights.
Sec. 1087. Designation of Bob Hope as an honorary veteran of the Armed Forces of the United States.
Sec. 1088. Five-year extension of aviation insurance program.

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1998 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the committee of conference to accompany the conference report on the bill H.R. 1119 of the One Hundred Fifth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. AUTHORITY FOR OBLIGATION OF UNAUTHORIZED FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1997 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in fiscal year 1997 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1997 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1997 DEFENSE APPROPRIATIONS.—The term ''fiscal year 1997 defense appropriations'' means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1997 in the Department of Defense Appropriations Act, 1997 (as contained in section 101(b) of Public Law 104–208).

(2) FISCAL YEAR 1997 DEFENSE AUTHORIZATIONS.—The term ''fiscal year 1997 defense authorizations'' means amounts authorized to be appropriated for the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1997.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1997 in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (Public Law 105–18).

SEC. 1005. INCREASE IN FISCAL YEAR 1996 TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 100 Stat. 414) is amended by striking out ''$2,000,000,000'' and inserting in lieu thereof ''$3,100,000,000''.

SEC. 1006. REVISION OF AUTHORITY FOR FISHER HOUSE TRUST FUNDS.

(a) CORRECTION TO ELIMINATE USE OF TERM ASSOCIATED WITH FUNDING AUTHORITIES.—Section 2221(c) of title 10, United States Code, is amended by striking out ''or maintenance'' each place it appears.

(b) CORPUS OF AIR FORCE TRUST FUND.—The Secretary of the Air Force shall deposit in the Fisher House Trust Fund, Department of the Air Force, an amount that the Secretary determines appropriate to establish the corpus of the fund.

SEC. 1007. FLEXIBILITY IN FINANCING CLOSURE OF CERTAIN OUTSTANDING CONTRACTS FOR WHICH A SMALL FINAL PAYMENT IS DUE.

(a) CLOSURE OF OUTSTANDING CONTRACTS.—The Secretary of Defense may make the final payment on a contract to which this section applies from the account established pursuant to subsection (d).

(b) COVERED CONTRACTS.—This section applies to any contract of the Department of Defense—

(1) that was entered into before December 5, 1990; and

(2) for which an unobligated balance of an appropriation that had been initially applied to the contract was canceled before December 5, 1990, pursuant to section 1552 of title 31, United States Code, as in effect before that date.

(c) AUTHORITY LIMITED TO SMALL FINAL PAYMENTS.—The Secretary may use the authority provided by this section only for a contract for which the amount of the final payment due is not greater than the micro-purchase threshold (as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428)).

(d) ACCOUNT.—The Secretary may establish an account for the purposes of this section. The Secretary may from time to time transfer into the account, from funds made available to the Department of Defense for procurement or for research, development, test, and evaluation, such amounts as the Secretary determines to be needed for the purposes of the account, except that the total of such transfers may not exceed $1,000,000. Amounts in the account may be used only for the purposes of this section.

(e) CLOSURE OF ACCOUNT.—When the Secretary determines that all contracts to which this section applies have been closed and there is no further need for the account established under subsection (d), the Secretary shall close the account. Any amounts remaining in the account shall be covered into the Treasury as miscellaneous receipts.

SEC. 1008. BIENNIAL FINANCIAL MANAGEMENT IMPROVEMENT PLAN.

(a) BIENNIAL PLAN.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2222. Biennial financial management improvement plan

''(a) BIENNIAL PLAN REQUIRED.—The Secretary of Defense shall submit to Congress a biennial strategic plan for the improvement of financial management within the Department of Defense. The plan shall be submitted not later than September 30 of each even-numbered year.

''(b) CONCEPT OF OPERATIONS.—Each plan under subsection (a) shall include a statement of the Secretary of Defense's concept of operations for the financial management of the Department of Defense. Each such statement shall be a clear description of the manner in which the Department's financial management operations are carried out or will be carried out under the improvements set forth in the plan under subsection (a), including identification of operations that must be performed.

''(c) MATTERS TO BE ADDRESSED IN PLAN.—(1) Each plan under subsection (a) shall address all aspects of financial management within the Department of Defense, including the finance systems, accounting systems, and data feeder systems of the Department that support financial functions of the Department.

''(2) For the purposes of paragraph (1), a data feeder system is an automated or manual system from which information is derived for a financial management system or an accounting system.''.

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

''2222. Biennial financial management improvement plan.''.

(b) ADDITIONAL CONTENT OF FIRST PLAN.—The first financial management improvement plan submitted under section 2222 of title 10, United States Code (as added by subsection (a)), shall include the following:

(1) A description of the costs and benefits of integrating the various finance and accounting systems of the Department of Defense and reducing the total number of such systems, together with the Secretary's assessment of the feasibility of implementing such an integration.

(2) Identification of problems with the accuracy of data included in the finance systems, accounting systems, and data feeder systems that support financial functions of the Department of Defense, together with a description of the actions that the Secretary can take to address those problems.

(3) Identification of weaknesses in the internal controls of the systems referred to in paragraph (2), together with a description of the actions that the Secretary can take to address those weaknesses.

(4) A description of actions that the Secretary can take to eliminate negative unliquidated obligations, unmatched disbursements, and in-transit disbursements and to avoid such obligations and disbursements in the future.

(5) A description of the status of the efforts being undertaken in the Department to consolidate and eliminate—

(A) redundant or unneeded finance systems; and

(B) redundant or unneeded accounting systems.

(6) A description of efforts being undertaken to consolidate or eliminate redundant personnel data systems, acquisition data systems, asset accounting systems, time and attendance systems, and other data feeder systems of the Department.

(7) A description of efforts being undertaken to integrate the data feeder systems of the Department with the finance and accounting systems of the Department.

(8) A description of problems with the organization or performance of the Operating Locations and Service Centers of the Defense Finance and Accounting Service, together with a description of the actions the Secretary can take to address those problems.

(9) A description of the costs and benefits of reorganizing the Operating Locations and Service Centers of the Defense Finance and Accounting Service according to function, together with the Secretary's assessment of the feasibility of carrying out such a reorganization.

(10) A description of the costs and benefits of contracting for private-sector performance of specific functions currently performed by the Defense Finance and Accounting Service, together with the Secretary's assessment of the feasibility of contracting for such performance.

(11) A description of actions that can be taken to ensure that each comptroller position (and comparable position) in the Department of Defense, whether filled by a member of the Armed Forces or by a civilian employee, is held by a person who, by reason of education, technical competence, and experience, has the core competencies for financial management.

(12) A description of any other change in the financial management structure of the Department or revision of the financial processes and business practices of the Department that the Secretary considers necessary to improve financial management in the Department.

(c) ADDITIONAL MATTERS.—For each of the problems and actions identified pursuant to paragraphs (1) through (12) of subsection (b) or in any other part of the plan covered by that subsection, the Secretary shall include statements of objectives, performance measures, and schedules and shall specify the individual and organizational responsibilities.

(d) DEFINITION.—In subsection (b), the term ''data feeder system'' has the meaning given that term in subsection (c)(2) of section 2222 of title 10, United States Code, as added by subsection (a).

SEC. 1009. ESTIMATES AND REQUESTS FOR PROCUREMENT AND MILITARY CONSTRUCTION FOR THE RESERVE COMPONENTS.

(a) DETAILED PRESENTATION IN FUTURE-YEARS DEFENSE PROGRAM.—Section 10543 of title 10, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The Secretary of Defense''; and

(2) by adding at the end the following:

''(b) ASSOCIATED ANNEXES.—The associated annexes of the future-years defense program shall specify, at the same level of detail as is set forth in the annexes for the active components, the amount requested for—

''(1) procurement of each item of equipment to be procured for each reserve component; and

''(2) each military construction project to be carried out for each reserve component, together with the location of the project.

''(c) REPORT.—(1) If the aggregate of the amounts specified in paragraphs (1) and (2) of subsection (b) for a fiscal year is less than the amount equal to 90 percent of the average authorized amount applicable for that fiscal year under paragraph (2), the Secretary of Defense shall submit to Congress a report specifying for each reserve component the additional items of equipment that would be procured, and the additional military construction projects that would be carried out, if that aggregate amount were an amount equal to such average authorized amount. The report shall be at the same level of detail as is required by subsection (b).

''(2) In this subsection, the term 'average authorized amount', with respect to a fiscal year, means the average of—

''(A) the aggregate of the amounts authorized to be appropriated for the preceding fiscal year for the procurement of items of equipment, and for military construction, for the reserve components; and

''(B) the aggregate of the amounts authorized to be appropriated for the fiscal year preceding the fiscal year referred to in subparagraph (A) for the procurement of items of equipment, and for military construction, for the reserve components.''.

(b) PROHIBITION.—The level of detail provided for procurement and military construction in the future-years defense programs for fiscal years after fiscal year 1998 may not be less than the level of detail provided for procurement and military construction in the future-years defense program for fiscal year 1998.

SEC. 1010. SENSE OF CONGRESS REGARDING FUNDING FOR RESERVE COMPONENT MODERNIZATION NOT REQUESTED IN PRESIDENT'S BUDGET.

(a) CRITERIA.—It is the sense of Congress that, to the maximum extent practicable, Congress should authorize appropriations for procurement of reserve component modernization equipment for a fiscal year for equipment that is not included in the budget of the President for that fiscal year only if—

(1) there is a requirement for that equipment that has been validated by the Joint Requirements Oversight Council;

(2) procurement of that equipment is included for reserve component modernization in the modernization plan of the military department concerned and is incorporated into the current future-years defense program;

(3) procurement of that equipment is consistent with planned use of reserve component forces under Department of Defense war plans; and

(4) funds for that procurement, if authorized and appropriated for that fiscal year, could be obligated during that fiscal year.

(b) CONSIDERATION OF VIEWS OF CHAIRMAN OF JOINT CHIEFS OF STAFF.—It is further the sense of Congress that, in applying the criteria set forth in subsection (a) with respect to procurement of reserve component modernization equipment, Congress should obtain the views of the Chairman of the Joint Chiefs of Staff on whether, under Department of Defense war plans, that equipment is appropriate for procurement for, and assignment to, reserve component forces.

SEC. 1011. MANAGEMENT OF WORKING-CAPITAL FUNDS.

(a) CONTRACTING FOR CAPITAL ASSETS PROCUREMENT IN ADVANCE OF FUNDS.—Section 2208 of title 10, United States Code, is amended by striking out subsection (k) and inserting in lieu thereof the following new subsection:

''(k)(1) Subject to paragraph (2), a contract for the procurement of a capital asset financed by a working-capital fund may be awarded in advance of the availability of funds in the working-capital fund for the procurement.

''(2) Paragraph (1) applies to any of the following capital assets that have a development or acquisition cost of not less than $100,000:

''(A) An unspecified minor military construction project under section 2805(c)(1) of this title.

''(B) Automatic data processing equipment or software.

''(C) Any other equipment.

''(D) Any other capital improvement.''.

(b) USE OF ADVANCE BILLING.—Such section is further amended by adding at the end the following new subsection:

''(l)(1) An advance billing of a customer of a working-capital fund may be made if the Secretary of the military department concerned submits to Congress written notification of the advance billing within 30 days after the end of the month in which the advanced billing was made. The notification shall include the following:

''(A) The reasons for the advance billing.

''(B) An analysis of the effects of the advance billing on military readiness.

''(C) An analysis of the effects of the advance billing on the customer.

''(2) The Secretary of Defense may waive the notification requirements of paragraph (1)—

''(A) during a period war or national emergency; or

''(B) to the extent that the Secretary determines necessary to support a contingency operation.

''(3) In this subsection:

''(A) The term 'advance billing', with respect to a working-capital fund, means a billing of a customer by the fund, or a requirement for a customer to reimburse or otherwise credit the fund, for the cost of goods or services provided (or for other expenses incurred) on behalf of the customer that is rendered or imposed before the customer receives the goods or before the services have been performed.

''(B) The term 'customer' means a requisitioning component or agency.''.

(c) FISCAL YEAR LIMITATIONS.—(1) The total amount of advance billings for Department of the Navy working-capital funds and the Defense Business Operations Fund may not exceed—

(A) $1,000,000,000 for fiscal year 1998; and

(B) $800,000,000 for fiscal year 1999.

(2) For purposes of paragraph (1), the term ''advance billing'' has the meaning given such term in section 2208(l)(3) of title 10, United States Code, as added by subsection (b).

SEC. 1012. AUTHORITY OF SECRETARY OF DEFENSE TO SETTLE CLAIMS RELATING TO PAY, ALLOWANCES, AND OTHER BENEFITS.

Section 3702(e) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out ''Comptroller General'' and inserting in lieu thereof ''Secretary of Defense''; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) Payment of a claim settled under paragraph (1) shall be made from an appropriation that is available, for the fiscal year in which the payment is made, for the same purpose as the appropriation to which the obligation claimed would have been charged if the obligation had been timely paid.''.

SEC. 1013. PAYMENT OF CLAIMS BY MEMBERS FOR LOSS OF PERSONAL PROPERTY DUE TO FLOODING IN RED RIVER BASIN.

(a) PAYMENT AUTHORIZED.—Notwithstanding section 3721(e) of title 31, United States Code, the Secretary of a military department may pay the claim of a member of the Armed Forces who resided (or whose dependents resided) in the vicinity of Grand Forks Air Force Base, North Dakota, during April and May 1997 for loss and damage to personal property incurred by the member as a direct result of the flooding in the Red River Basin during such months.

(b) REPORT ON DEPARTMENT POLICY.—The Secretary of Defense shall submit to Congress a report describing the Department of Defense policy regarding the payment of a claim by a member of the Armed Forces who is not assigned to quarters of the United States for losses and damage to personal property of the member incurred at the member's residence as a result of a natural disaster. The report shall include a description of the number of such claims received over the past 10 years, the number of claims paid, and the number of claims rejected. If the Secretary determines the Department of Defense should modify its policy in order to accept additional claims by members who are not assigned to quarters of the United States for losses and damage to personal property, the Secretary shall also include in the report any legislative changes that the Secretary considers necessary to enable the Secretary to implement the policy change.

SEC. 1014. ADVANCES FOR PAYMENT OF PUBLIC SERVICES.

(a) IN GENERAL.—Subsection (a) of section 2396 of title 10, United States Code, is amended—

(1) by striking out ''and'' at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ''; and''; and

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

''(4) public service utilities.''.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries''.

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

''2396. Advances for payments for compliance with foreign laws, rent in foreign countries, tuition, public utility services, and pay and supplies of armed forces of friendly foreign countries.''.

SEC. 1015. UNITED STATES MAN AND THE BIOSPHERE PROGRAM LIMITATION.

During fiscal year 1998, the Secretary of Defense may not take any steps to carry out or support the United States Man and the Biosphere Program or any related project.

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. PROCEDURES FOR SALE OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER.

Section 7305(c) of title 10, United States Code, is amended to read as follows:

''(c) PROCEDURES FOR SALE.—(1) A vessel stricken from the Naval Vessel Register and not subject to disposal under any other law may be sold under this section.

''(2) In such a case, the Secretary may—

''(A) sell the vessel to the highest acceptable bidder, regardless of the appraised value of the vessel, after publicly advertising the sale of the vessel for a period of not less than 30 days; or

''(B) subject to paragraph (3), sell the vessel by competitive negotiation to the acceptable offeror who submits the offer that is most advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).

''(3) Before entering into negotiations to sell a vessel under paragraph (2)(B), the Secretary shall publish notice of the intention to do so in the Commerce Business Daily sufficiently in advance of initiating the negotiations that all interested parties are given a reasonable opportunity to prepare and submit proposals. The Secretary shall afford an opportunity to participate in the negotiations to all acceptable offerors submitting proposals that the Secretary considers as having the potential to be the most

advantageous to the United States (taking into account price and such other factors as the Secretary determines appropriate).''.

SEC. 1022. AUTHORITY TO ENTER INTO A LONG-TERM CHARTER FOR A VESSEL IN SUPPORT OF THE SURVEILLANCE TOWED-ARRAY SENSOR (SURTASS) PROGRAM.

The Secretary of the Navy is authorized to enter into a contract in accordance with section 2401 of title 10, United States Code, for the charter, for a period through fiscal year 2003, of the vessel RV CORY CHOUEST (United States official number 933435) in support of the Surveillance Towed-Array Sensor (SURTASS) program.

SEC. 1023. TRANSFER OF TWO SPECIFIED OBSOLETE TUGBOATS OF THE ARMY.

(a) AUTHORITY TO TRANSFER VESSELS.—The Secretary of the Army may transfer the two obsolete tugboats of the Army described in subsection (b) to the Brownsville Navigation District, Brownsville, Texas.

(b) VESSELS COVERED.—Subsection (a) applies to the following two decommissioned tugboats of the Army, each of which is listed as of the date of the enactment of this Act as being surplus to the needs of the Army: the Normandy (LT–1971) and the Salerno (LT–1953).

(c) TRANSFERS TO BE AT NO COST TO UNITED STATES.—A transfer authorized by this section shall be made at no cost to the United States.

(d) TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the transfers authorized by this section as the Secretary considers appropriate.

SEC. 1024. CONGRESSIONAL REVIEW PERIOD WITH RESPECT TO TRANSFER OF EX-U.S.S. HORNET (CV–12) AND EX-U.S.S. MIDWAY (CV–41).

(a) REDUCTION IN CONGRESSIONAL REVIEW PERIOD.—In applying section 7306 of title 10, United States Code, with respect to the transfer of a vessel specified in subsection (c), subsection (d)(1)(B) of that section shall be applied by substituting ''30 days'' for ''60 days''.

(b) WAIVER IF ONLY ONE QUALIFIED ENTITY APPLIES FOR TRANSFER OF VESSEL.—If in the case of a vessel specified in subsection (c) only a single qualified entity, as determined by the Secretary of the Navy, applies for transfer of the vessel, the Secretary may carry out the transfer of the vessel under section 7306 of title 10, United States Code, without regard to subsection (d)(1)(B) of that section. In such a case, the transfer may be made only after 10 days of continuous session of Congress (determined in the manner specified in section 7306(d)(2) of title 10, United States Code) have expired following the date on which the Secretary submits to Congress a certification that only a single qualified entity applied for transfer of the vessel.

(c) COVERED VESSELS.—This section applies to the following vessels (each of which is a decommissioned aircraft carrier):

(1) Ex-U.S.S. HORNET (CV–12).

(2) Ex-U.S.S. MIDWAY (CV–41).

SEC. 1025. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) To the Government of Brazil, the HUNLEY class submarine tender HOLLAND (AS 32).

(2) To the Government of Chile, the KAISER class oiler ISHERWOOD (T–AO 191).

(3) To the Government of Egypt:

(A) The following frigates of the KNOX class:

(i) The PAUL (FF 1080).

(ii) The MILLER (FF 1091).

(iii) The JESSE L. BROWN (FFT 1089).

(iv) The MOINESTER (FFT 1097).

(B) The following frigates of the OLIVER HAZARD PERRY class:

(i) The FAHRION (FFG 22).

(ii) The LEWIS B. PULLER (FFG 23).

(4) To the Government of Israel, the NEWPORT class tank landing ship PEORIA (LST 1183).

(5) To the Government of Malaysia, the NEWPORT class tank landing ship BARBOUR COUNTY (LST 1195).

(6) To the Government of Mexico, the KNOX class frigate ROARK (FF 1053).

(7) To the Taipei Economic and Cultural Representative Office in the United States (the Taiwan instrumentality that is designated pursuant to section 10(a) of the Taiwan Relations Act), the following frigates of the KNOX class:

(A) The WHIPPLE (FF 1062).

(B) The DOWNES (FF 1070).

(8) To the Government of Thailand, the NEWPORT class tank landing ship SCHENECTADY (LST 1185).

(b) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(c) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(d) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under subsection (a) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1026. REPORTS RELATING TO EXPORT OF VESSELS THAT MAY CONTAIN POLYCHLORINATED BIPHENYLS.

(a) REPORTS REQUIRED.—Not later than March 1, 1998, the Secretary of the Navy (with respect to the Navy), the Administrator of the Maritime Administration (with respect to the Maritime Administration), and the Administrator of the Environmental Protection Agency (with respect to the Environmental Protection Agency) shall each submit to Congress a report on the implementation of the agreement between the Department of the Navy and the Environmental Protection Agency that became effective August 6, 1997, and that is titled ''Export of Naval Vessels that May Contain Polychlorinated Biphenyls for Scrapping Outside the United States''.

(b) CONTENTS OF REPORTS.—The reports required by subsection (a) shall address, at a minimum, the following:

(1) An assessment of the effects of the notification requirements regarding the export of vessels for scrapping, any impediments that those requirements may create for the export of vessels, and any changes to the agreement that may be required to address those impediments.

(2) An explanation of the process by which it is determined which solid items containing polychlorinated biphenyls are readily removable and must be removed before the export of a vessel for scrapping, what types of polychlorinated biphenyls have been determined to be readily removable pursuant to this process, any impediments that such determinations may create for the export of vessels, and any changes to the agreement that may be required to address those impediments or to ensure protection of human health and the environment.

(c) AMENDMENTS RELATING TO DISPOSAL OF OBSOLETE VESSELS FROM THE NATIONAL DEFENSE RESERVE FLEET.—Section 6 of the National Maritime Heritage Act of 1994 (Public Law 103–451; 108 Stat. 4776; 16 U.S.C. 5405) is amended—

(1) in subsections (a)(1) and (b)(2)—

(A) by inserting ''or 510(i)'' after ''508''; and

(B) by inserting ''or 1160(i)'' after ''1158'';

(2) in subsection (b)(2), by striking out ''first 6'' and inserting in lieu thereof ''first 8''; and

(3) in subsection (c)(1)(A), by striking out ''1999'' and inserting in lieu thereof ''2001''.

SEC. 1027. CONVERSION OF DEFENSE CAPABILITY PRESERVATION AUTHORITY TO NAVY SHIPBUILDING CAPABILITY PRESERVATION AUTHORITY.

(a) IN GENERAL.—(1) Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 7315. Preservation of Navy shipbuilding capability

''(a) SHIPBUILDING CAPABILITY PRESERVATION AGREEMENTS.—The Secretary of the Navy may enter into an agreement, to be known as a 'shipbuilding capability preservation agreement', with a shipbuilder under which the cost reimbursement rules described in subsection (b) shall be applied to the shipbuilder under a Navy contract for the construction of a ship. Such an agreement may be entered into in any case in which the Secretary determines that the application of such cost reimbursement rules would facilitate the achievement of the policy objectives set forth in section 2501(b) of this title.

''(b) COST REIMBURSEMENT RULES.—The cost reimbursement rules applicable under an agreement entered into under subsection (a) are as follows:

''(1) The Secretary of the Navy shall, in determining the reimbursement due a shipbuilder for its indirect costs of performing a contract for the construction of a ship for the Navy, allow the shipbuilder to allocate indirect costs to its private sector work only to the extent of the shipbuilder's allocable indirect private sector costs, subject to paragraph (3).

''(2) For purposes of paragraph (1), the allocable indirect private sector costs of a shipbuilder are those costs of the shipbuilder that are equal to the sum of the following:

''(A) The incremental indirect costs attributable to such work.

''(B) The amount by which the revenue attributable to such private sector work exceeds the sum of—

''(i) the direct costs attributable to such private sector work; and

''(ii) the incremental indirect costs attributable to such private sector work.

''(3) The total amount of allocable indirect private sector costs for a contract covered by the agreement may not exceed the amount of indirect costs that a shipbuilder would have allocated to its private sector work during the period covered by the agreement in accordance with the shipbuilder's established accounting practices.

''(c) AUTHORITY TO MODIFY COST REIMBURSEMENT RULES.—The cost reimbursement rules set forth in subsection (b) may be modified by the Secretary of the Navy for a particular agreement if the Secretary determines that modifications are appropriate to the particular situation to facilitate achievement of the policy set forth in section 2501(b) of this title.

''(d) APPLICABILITY.—(1) An agreement entered into with a shipbuilder under subsection (a) shall apply to each of the following Navy contracts with the shipbuilder:

''(A) A contract that is in effect on the date on which the agreement is entered into.

''(B) A contract that is awarded during the term of the agreement.

''(2) In a shipbuilding capability preservation agreement applicable to a shipbuilder, the Secretary may agree to apply the cost reimbursement rules set forth in subsection (b) to allocations of indirect costs to private sector work performed by the shipbuilder only with respect to costs that the shipbuilder incurred on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 under a contract between the shipbuilder and a private sector customer of the shipbuilder that became effective on or after January 26, 1996.''.

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

''7315. Preservation of Navy shipbuilding capability.''.

(b) IMPLEMENTATION.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Navy shall establish application procedures and procedures for expeditious consideration of shipbuilding capability preservation agreements as authorized by section 7315 of title 10, United States Code, as added by subsection (a).

(c) REPORT.—Not later than February 15, 1998, the Secretary of the Navy shall submit to Congress a report on applications for shipbuilding capability preservation agreements under section 7315 of title 10, United States Code, as added by subsection (a). The report shall specify the number of the applications received, the number of the applications approved, and a discussion of the reasons for disapproval of any application disapproved.

(d) REPEAL OF SUPERSEDED PROVISION.—Section 808 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 393; 10 U.S.C. 2501 note) is repealed.

Subtitle C—Counter-Drug Activities

SEC. 1031. USE OF NATIONAL GUARD FOR STATE DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES.

(a) RELATIONSHIP TO TRAINING AND READINESS.—Subsection (b) of section 112 of title 32, United States Code, is amended—

(1) by inserting ''(1)'' before ''Under regulations''; and

(2) by adding at the end the following new paragraphs:

''(2) To ensure that the use of units and personnel of the National Guard of a State pursuant to a State drug interdiction and counter-drug activities plan is not detrimental to the training and readiness of such units and personnel, the requirements of section 2012(d) of title 10 shall apply in determining the drug interdiction and counter-drug activities that units and personnel of the National Guard of a State may perform.

''(3) Section 508 of this title, regarding the provision of assistance to certain specified youth and charitable organizations, shall apply in any case in which a unit or member of the National Guard of a State is proposed to be used pursuant to a State drug interdiction and counter-drug activities plan to provide to an organization specified in subsection (d) of such section any of the services described in subsection (b) of such section or services regarding counter-drug education.''.

(b) ENGINEER-TYPE ACTIVITIES.—Subsection (c) of such section is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) certify that any engineer-type activities (as defined by the Secretary of Defense) under the plan will be performed only by units and members of the National Guard;''.

(c) ANNUAL REPORT.—Such section is further amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection:

''(g) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress an annual report regarding assistance provided and activities carried out under this section during the preceding fiscal year. The report shall include the following:

''(1) The number of members of the National Guard excluded under subsection (e) from the computation of end strengths.

''(2) A description of the drug interdiction and counter-drug activities conducted under State drug interdiction and counter-drug activities plans referred to in subsection (c) with funds provided under this section.

''(3) An accounting of the amount of funds provided to each State.

''(4) A description of the effect on military training and readiness of using units and personnel of the National Guard to perform activities under the State drug interdiction and counter-drug activities plans.''.

(d) CONFORMING AMENDMENTS.—Subsection (e) of such section is amended—

(1) by striking out ''(1)'' before ''Members''; and

(2) by striking out paragraph (2).

SEC. 1032. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF MEXICO.

(a) EXTENSION OF AUTHORITY; CONSULTATION OF SECRETARY OF STATE.—Subsection (a) of section 1031 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2637), is amended—

(1) by striking out ''fiscal year 1997'' and inserting in lieu thereof ''fiscal years 1997 and 1998''; and

(2) by inserting after the first sentence the following new sentence: ''In providing support to the Government of Mexico under this section, the Secretary of Defense shall consult with the Secretary of State.''.

(b) EXTENSION OF AVAILABILITY OF FUNDS.—Subsection (d) of such section is amended—

(1) by striking out ''not more than'' and inserting in lieu thereof ''an amount not to exceed''; and

(2) by adding at the end the following new sentences: ''Funds made available for fiscal year 1997 under this subsection and unobligated by September 30, 1997, may be obligated during fiscal year 1998. No funds are authorized to be appropriated for fiscal year 1998 for the provision of support under this section.''.

SEC. 1033. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF PERU AND COLOMBIA.

(a) AUTHORITY TO PROVIDE SUPPORT.—Subject to subsection (f), during fiscal years 1998 through 2002, the Secretary of Defense may provide either or both of the foreign governments named in subsection (b) with the support described in subsection (c) for the counter-drug activities of that government. In providing support to a government under this section, the Secretary of Defense shall consult with the Secretary of State. The support provided under the authority of this section shall be in addition to support provided to the governments under any other provision of law.

(b) GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—The foreign governments eligible to receive counter-drug support under this section are as follows:

(1) The Government of Peru.

(2) The Government of Colombia.

(c) TYPES OF SUPPORT.—The authority under subsection (a) is limited to the provision of the following types of support to a government named in subsection (b):

(1) The types of support specified in paragraphs (1), (2), and (3) of section 1031(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2637).

(2) The transfer of riverine patrol boats.

(3) The maintenance and repair of equipment of the government that is used for counter-drug activities.

(d) APPLICABILITY OF OTHER SUPPORT AUTHORITIES.—Except as otherwise provided in this section, the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) shall apply to the provision of support under this section.

(e) FISCAL YEAR 1998 FUNDING; LIMITATION ON OBLIGATIONS.—(1) Of the amount authorized to be appropriated under section 301(20) for drug interdiction and counter-drug activities, an amount not to exceed $9,000,000 shall be available for the provision of support under this section.

(2) Amounts made available to carry out this section shall remain available until expended, except that the total amount obligated and expended under this section may not exceed $20,000,000 during any of the fiscal years 1999 through 2002.

(f) CONDITION ON PROVISION OF SUPPORT.—(1) The Secretary of Defense may not obligate or expend funds during a fiscal year to provide support under this section to a government named in subsection (b) until the end of the 15-day period beginning on the date on which the Secretary submits to the congressional committees the written certification described in subsection (g) for that fiscal year.

(2) In the case of the first fiscal year in which support is to be provided under this section to a government named in subsection (b), the obligation or expenditure of funds under this section to provide support to that government shall also be subject to the condition that—

(A) the Secretary submit to the congressional committees the riverine counter-drug plan described in subsection (h); and

(B) a period of 60 days expires after the date on which the report is submitted.

(3) In the case of subsequent fiscal years in which support is to be provided under this section to a government named in subsection (b), the obligation or expenditure of funds under this section to provide support to that government shall also be subject to the condition that the Secretary submit to the congressional committees any revision of the counter-drug plan described in subsection (h) applicable to that government.

(4) For purposes of this subsection, the term ''congressional committees'' means the following:

(A) The Committee on Armed Services and the Committee on Foreign Relations of the Senate.

(B) The Committee on National Security and the Committee on International Relations of the House of Representatives.

(g) REQUIRED CERTIFICATION.—The written certification required by subsection (f)(1) for a fiscal year is a certification of the following with respect to each government to receive support under this section:

(1) That the provision of the support to the government will not adversely affect the military preparedness of the United States Armed Forces.

(2) That the equipment and materiel provided as support will be used only by officials and employees of the government who have undergone background investigations by that government and have been approved by that government to perform counter-drug activities on the basis of the background investigations.

(3) That the government has certified to the Secretary of Defense that—

(A) the equipment and material provided as support will be used only by the officials and employees referred to in paragraph (2);

(B) none of the equipment or materiel will be transferred (by sale, gift, or otherwise) to any person or entity not authorized by the United States to receive the equipment or materiel; and

(C) the equipment and materiel will be used only for the purposes intended by the United States Government.

(4) That the government has implemented, to the satisfaction of the Secretary of Defense, a system that will provide an accounting and inventory of the equipment and materiel provided as support.

(5) That the departments, agencies, and instrumentalities of the government will grant United States Government personnel access to any of the equipment or materiel provided as support, or to any of the records relating to such equipment or materiel, under terms and conditions similar to the terms and conditions imposed with respect to such access under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(6) That the government will provide security with respect to the equipment and materiel provided as support that is substantially the same

degree of security that the United States Government would provide with respect to such equipment and materiel.

(7) That the government will permit continuous observation and review by United States Government personnel of the use of the equipment and materiel provided as support under terms and conditions similar to the terms and conditions imposed with respect to such observation and review under section 505(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2314(a)(3)).

(h) RIVERINE COUNTER-DRUG PLAN.—The Secretary of Defense, in consultation with the Secretary of State, shall prepare for fiscal year 1998 (and revise as necessary for subsequent fiscal years) a riverine counter-drug plan involving the governments named in subsection (b) to which support will be provided under this section. The plan for a fiscal year shall include the following with respect to each government to receive support under this section:

(1) A detailed security assessment, including a discussion of the threat posed by illicit drug traffickers in the foreign country.

(2) An evaluation of previous and ongoing riverine counter-drug operations by the government.

(3) An assessment of the monitoring of past and current assistance provided by the United States under this section to the government to ensure the appropriate use of such assistance.

(4) A description of the centralized management and coordination among Federal agencies involved in the development and implementation of the plan.

(5) A description of the roles and missions and coordination among agencies of the government involved in the development and implementation of the plan.

(6) A description of the resources to be contributed by the Department of Defense and the Department of State for the fiscal year or years covered by the plan and the manner in which such resources will be utilized under the plan.

(7) For the first fiscal year in which support is to be provided under this section, a schedule for establishing a riverine counter-drug program that can be sustained by the government within five years, and for subsequent fiscal years, a description of the progress made in establishing and carrying out the program.

(8) A reporting system to measure the effectiveness of the riverine counter-drug program.

(9) A detailed discussion of how the riverine counter-drug program supports the national drug control strategy of the United States.

SEC. 1034. ANNUAL REPORT ON DEVELOPMENT AND DEPLOYMENT OF NARCOTICS DETECTION TECHNOLOGIES.

(a) REPORT REQUIREMENT.—Not later than December 1st of each year, the Director of the Office of National Drug Control Policy shall submit to Congress and the President a report on the development and deployment of narcotics detection technologies by Federal agencies. Each such report shall be prepared in consultation with the Secretary of Defense, the Secretary of State, the Secretary of Transportation, and the Secretary of the Treasury.

(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall include—

(1) a description of each project implemented by a Federal agency relating to the development or deployment of narcotics detection technology;

(2) the agency responsible for each project described in paragraph (1);

(3) the amount of funds obligated or expended to carry out each project described in paragraph (1) during the fiscal year in which the report is submitted or during any fiscal year preceding the fiscal year in which the report is submitted;

(4) the amount of funds estimated to be obligated or expended for each project described in paragraph (1) during any fiscal year after the fiscal year in which the report is submitted to Congress; and

(5) a detailed timeline for implementation of each project described in paragraph (1).

Subtitle D—Miscellaneous Report Requirements and Repeals

SEC. 1041. REPEAL OF MISCELLANEOUS REPORTING REQUIREMENTS.

(a) REQUIREMENT FOR NOTICE OF CONVERSION OF CERTAIN HEATING SYSTEMS AT INSTALLATIONS IN EUROPE.—Section 2690(b) of title 10, United States Code, is amended by striking out ''unless the Secretary—'' and all that follows and inserting in lieu thereof the following: ''unless the Secretary determines that the conversion—

''(1) is required by the government of the country in which the facility is located; or

''(2) is cost-effective over the life cycle of the facility.''.

(b) REPORT ON AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING.—Section 2823 of title 10, United States Code, is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(c) REPORT ON STRETCHOUT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 117 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 1933; 10 U.S.C. 2431 note), is repealed.

(d) ELIMINATION OF REQUIREMENT FOR QUARTERLY REPORT CONCERNING TRAVEL FUNDING FOR CHEMICAL DEMILITARIZATION CITIZENS' ADVISORY COMMISSIONERS.—(1) Section 1412(g) of the National Defense Authorization Act for Fiscal Year 1986 (50 U.S.C. 1521(g)) is amended—

(A) by striking out paragraph (3);

(B) by striking out the last sentence of paragraph (4); and

(C) by redesignating paragraph (4) (as so amended) as paragraph (3).

(2) Section 153(b) of the National Defense Authorization Act for Fiscal Year 1996 (50 U.S.C. 1521 note) is amended—

(A) by striking out ''QUARTERLY'' in the heading; and

(B) by striking out paragraphs (4) and (5).

SEC. 1042. STUDY OF TRANSFER OF MODULAR AIRBORNE FIRE FIGHTING SYSTEM.

Not later than six months after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Secretary of Agriculture, shall submit to Congress a report evaluating the feasibility of transferring jurisdiction over units of the Modular Airborne Fire Fighting System from the Department of Agriculture to the Department of Defense.

SEC. 1043. OVERSEAS INFRASTRUCTURE REQUIREMENTS.

(a) FINDINGS.—Congress makes the following findings:

(1) United States military forces have been withdrawn from the Philippines.

(2) United States military forces are to be withdrawn from Panama by 2000.

(3) There continues to be local opposition to the continued presence of United States military forces in Okinawa.

(4) The Quadrennial Defense Review lists ''the loss of U.S. access to critical facilities and lines of communication in key regions'' as one of the so-called ''wild card'' scenarios covered in the review.

(5) The National Defense Panel states that ''U.S. forces' long-term access to forward bases, to include air bases, ports, and logistics facilities, cannot be assumed''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should develop alternatives to the current arrangement for forward basing of the Armed Forces outside the United States, including alternatives to the existing infrastructure for forward basing of forces and alternatives to the existing international agreements that provide for basing of United States forces in foreign countries; and

(2) because the Pacific Rim continues to emerge as a region of significant economic and military importance to the United States, a continued presence of the Armed Forces in that region is vital to the capability of the United States to timely protect its interests in the region.

(c) REPORT REQUIRED.—Not later than March 31, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the overseas infrastructure requirements of the Armed Forces.

(d) CONTENT.—The report shall contain the following:

(1) The quantity and types of forces that the United States must station in each region of the world in order to support the current national military strategy of the United States.

(2) The quantity and types of forces that the United States will need to station in each region of the world in order to meet the expected or potential future threats to the national security interests of the United States.

(3) The requirements for access to, and use of, air space and ground maneuver areas in each such region for training for the quantity and types of forces identified for the region pursuant to paragraphs (1) and (2).

(4) A list of the international agreements, currently in force, that the United States has entered into with foreign countries regarding the basing of United States forces in those countries and the dates on which the agreements expire.

(5) A discussion of any anticipated political opposition or other opposition to the renewal of any of those international agreements.

(6) A discussion of future overseas basing requirements for United States forces, taking into account expected changes in national security strategy, national security environment, and weapons systems.

(7) The expected costs of maintaining the overseas infrastructure for foreign based forces of the United States, including the costs of constructing any new facilities that will be necessary overseas to meet emerging requirements relating to the national security interests of the United States.

(e) FORM OF REPORT.—The report may be submitted in a classified or unclassified form.

SEC. 1044. ADDITIONAL MATTERS FOR ANNUAL REPORT ON ACTIVITIES OF THE GENERAL ACCOUNTING OFFICE.

Section 719(b) of title 31, United States Code, is amended by adding at the end the following:

''(3) The report under subsection (a) shall also include a statement of the staff hours and estimated cost of work performed on audits, evaluations, investigations, and related work during each of the three fiscal years preceding the fiscal year in which the report is submitted, stated separately for each division of the General Accounting Office by category as follows:

''(A) A category for work requested by the chairman of a committee of Congress, the chairman of a subcommittee of such a committee, or any other Member of Congress.

''(B) A category for work required by law to be performed by the Comptroller General.

''(C) A category for work initiated by the Comptroller General in the performance of the Comptroller General's general responsibilities.''.

SEC. 1045. EYE SAFETY AT SMALL ARMS FIRING RANGES.

(a) ACTIONS REQUIRED.—The Secretary of the Defense shall—

(1) conduct a study of eye safety at small arms firing ranges of the Armed Forces; and

(2) develop for the use of the Armed Forces a protocol for reporting eye injuries incurred in small arms firing activities at the ranges.

(b) AGENCY TASKING.—The Secretary may delegate authority to carry out the responsibilities set forth in subsection (a) to the United States Army Center for Health Promotion and Preventive Medicine or any other element of the Department of Defense that the Secretary considers well qualified to carry out those responsibilities.

(c) CONTENT OF STUDY.—The study under subsection (a)(1) shall include the following:

(1) An evaluation of the existing policies, procedures, and practices of the Armed Forces regarding medical surveillance of eye injuries resulting from weapons fire at the small arms ranges.

(2) An examination of the existing policies, procedures, and practices of the Armed Forces regarding reporting on vision safety issues resulting from weapons fire at the small arms ranges.

(3) Determination of rates of eye injuries, and trends in eye injuries, resulting from weapons fire at the small arms ranges.

(4) An evaluation of the costs and benefits of a requirement for use of eye protection devices by all personnel firing small arms at the ranges.

(d) REPORT.—The Secretary shall submit a report on the activities required under this section to the Committees on Armed Services and on Veterans' Affairs of the Senate and the Committees on National Security and on Veterans' Affairs of the House of Representatives. The report shall include—

(1) the findings resulting from the study under paragraph (1) of subsection (a); and

(2) the protocol developed under paragraph (2) of such subsection.

(e) SCHEDULE.—(1) The Secretary shall ensure that the study is commenced not later than January 1, 1998, and is completed not later than six months after the date on which it is commenced.

(2) The Secretary shall submit the report required under subsection (d) not later than 30 days after the completion of the study.

SEC. 1046. REPORTS ON DEPARTMENT OF DEFENSE PROCEDURES FOR INVESTIGATING MILITARY AVIATION ACCIDENTS AND FOR NOTIFYING AND ASSISTING FAMILIES OF VICTIMS.

(a) REPORT ON AVIATION ACCIDENT INVESTIGATION PROCEDURES.—Not later than February 1, 1998, the Secretary of Defense shall submit to Congress a report on the advisability of establishing a process for investigating Department of Defense aviation accidents that combines accident investigation with safety investigation into a single, public investigation process, similar to the accident investigation process of the National Transportation Safety Board. The report shall include a discussion of the advantages and disadvantages of adopting such an investigation process.

(b) REPORT ON FAMILY ASSISTANCE.—Not later than April 2, 1998, the Secretary of Defense shall submit to Congress a report on assistance provided by the Department of Defense to families of casualties among military and civilian personnel of the department in the case of aviation accidents involving such personnel. The report shall include—

(1) a discussion of the adequacy and effectiveness of the family notification procedures of the Department of Defense, including the procedures of the military departments; and

(2) a description of the assistance provided to members of the families of such personnel.

(c) REPORT BY DEPARTMENT OF DEFENSE INSPECTOR GENERAL.—Not later than December 1, 1997, the Inspector General of the Department of Defense shall review the procedures of the Federal Aviation Administration and the National Transportation Safety Board for providing information and assistance to members of families of casualties of nonmilitary aviation accidents and shall submit to Congress a report on the review. The report shall include a discussion of the following:

(1) Designation of an experienced non-profit organization to provide assistance in meeting the needs of families of accident casualties.

(2) An assessment of the system and procedures for providing families with information on accidents and accident investigations.

(3) Protection of members of families from unwanted solicitations relating to the accident.

(4) A recommendation regarding whether the procedures reviewed (including the matters discussed under paragraphs (1), (2), and (3)) or similar procedures should be adopted by the Department of Defense for use by the Department in providing information and assistance to members of families of casualties of military aviation accidents and, if the recommendation is not to adopt such procedures, a detailed justification for the recommendation.

(d) UNCLASSIFIED FORM OF REPORTS.—The reports under this section shall be submitted in unclassified form.

Subtitle E—Matters Relating to Terrorism

SEC. 1051. OVERSIGHT OF COUNTERTERRORISM AND ANTITERRORISM ACTIVITIES; REPORT.

(a) OVERSIGHT OF COUNTERTERRORISM AND ANTITERRORISM ACTIVITIES.—Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) establish a reporting system for executive agencies with respect to the budget and expenditure of funds by such agencies for the purpose of carrying out counterterrorism and antiterrorism programs and activities; and

(2) using such reporting system, collect information on—

(A) the budget and expenditure of funds by executive agencies during the current fiscal year for purposes of carrying out counterterrorism and antiterrorism programs and activities; and

(B) the specific programs and activities for which such funds were expended.

(b) REPORT.—Not later that March 1 of each year, the President shall submit to Congress a report in classified and unclassified form (using the information described in subsection (a)(2)) describing, for each executive agency and for the executive branch as a whole, the following:

(1) The amounts proposed to be expended for counterterrorism and antiterrorism programs and activities for the fiscal year beginning in the calendar year in which the report is submitted.

(2) The amounts proposed to be expended for counterterrorism and antiterrorism programs and activities for the fiscal year in which the report is submitted and the amounts that have already been expended for such programs and activities for that fiscal year.

(3) The specific counterterrorism and antiterrorism programs and activities being implemented, any priorities with respect to such programs and activities, and whether there has been any duplication of efforts in implementing such programs and activities.

SEC. 1052. PROVISION OF ADEQUATE TROOP PROTECTION EQUIPMENT FOR ARMED FORCES PERSONNEL ENGAGED IN PEACE OPERATIONS; REPORT ON ANTITERRORISM ACTIVITIES AND PROTECTION OF PERSONNEL.

(a) PROTECTION OF PERSONNEL.—The Secretary of Defense shall take appropriate actions to ensure that units of the Armed Forces engaged in a peace operation are provided adequate troop protection equipment for that operation.

(b) SPECIFIC ACTIONS.—In taking actions under subsection (a), the Secretary shall—

(1) identify the additional troop protection equipment, if any, required to equip a division (or the equivalent of a division) with adequate troop protection equipment for peace operations; and

(2) establish procedures to facilitate the exchange or transfer of troop protection equipment among units of the Armed Forces.

(c) DESIGNATION OF RESPONSIBLE OFFICIAL.—The Secretary of Defense shall designate an official within the Department of Defense to be responsible for—

(1) ensuring the appropriate allocation of troop protection equipment among the units of the Armed Forces engaged in peace operations; and

(2) monitoring the availability, status or condition, and location of such equipment.

(d) TROOP PROTECTION EQUIPMENT DEFINED.—In this section, the term ''troop protection equipment'' means the equipment required by units of the Armed Forces to defend against any hostile threat that is likely during a peace operation, including an attack by a hostile crowd, small arms fire, mines, and a terrorist bombing attack.

(e) REPORT ON ANTITERRORISM ACTIVITIES OF THE DEPARTMENT OF DEFENSE AND PROTECTION OF PERSONNEL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report, in classified and unclassified form, on antiterrorism activities of the Department of Defense and the actions taken by the Secretary under subsections (a), (b) and (c). The report shall include the following:

(1) A description of the programs designed to carry out antiterrorism activities of the Department of Defense, any deficiencies in those programs, and any actions taken by the Secretary to improve implementation of such programs.

(2) An assessment of the current policies and practices of the Department of Defense with respect to the protection of members of the Armed Forces overseas against terrorist attack, including any modifications to such policies or practices that are proposed or implemented as a result of the assessment.

(3) An assessment of the procedures of the Department of Defense for determining accountability, if any, in the command structure of the Armed Forces in instances in which a terrorist attack results in the loss of life at an overseas military installation or facility.

(4) A detailed description of the roles of the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Secretaries of the military departments, and the combatant commanders in providing guidance and support with respect to the protection of members of the Armed Forces deployed overseas against terrorist attack (both before and after the November, 1995 bombing in Riyadh, Saudi Arabia) and how these roles have changed since the June 25, 1996, terrorist bombing at Khobar Towers in Dhahran, Saudi Arabia.

(5) A description of the actions taken by the Secretary of Defense under subsections (a), (b), and (c) to provide adequate troop protection equipment for units of the Armed Forces engaged in a peace operation.

Subtitle F—Matters Relating to Defense Property

SEC. 1061. LEASE OF NONEXCESS PERSONAL PROPERTY OF MILITARY DEPARTMENTS.

(a) RECEIPT OF FAIR MARKET VALUE.—Subsection (b)(4) of section 2667 of title 10, United States Code, is amended by striking out '', in the case of the lease of real property,''.

(b) COMPETITIVE SELECTION.—Such section is further amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

''(g)(1) If a proposed lease under subsection (a) involves only personal property, the lease term exceeds one year, and the fair market value of the lease interest exceeds $100,000, as determined by the Secretary concerned, the Secretary shall use competitive procedures to select the lessee.

''(2) Not later than 45 days before entering into a lease described in paragraph (1), the Secretary concerned shall submit to Congress written notice describing the terms of the proposed lease and the competitive procedures used to select the lessee.''.

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 2667. Leases: non-excess property of military departments''.

(2) The table of sections at the beginning of chapter 159 of title 10, United States Code, is amended by striking out the item relating to section 2667 and inserting in lieu thereof the following new item:

''2667. Leases: non-excess property of military departments.''.

(d) CONFORMING AMENDMENT.—Section 2490a(f)(2) of title 10, United States Code, is amended by striking out ''section 2667(g)'' and inserting in lieu thereof ''section 2667(h)''.

SEC. 1062. LEASE OF NONEXCESS PROPERTY OF DEFENSE AGENCIES.

(a) LEASE AUTHORITY.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2667 the following new section:

''§ 2667a. Leases: non-excess property of Defense Agencies

''(a) LEASE AUTHORITY.—Whenever the Secretary of Defense considers it advantageous to the United States, the Secretary may lease to such lessee and upon such terms as the Secretary considers will promote the national defense or to be in the public interest, personal property that is—

''(1) under the control of a Defense Agency;

''(2) not for the time needed for public use; and

''(3) not excess property, as defined by section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

''(b) LIMITATION, TERMS, AND CONDITIONS.—A lease under subsection (a)—

''(1) may not be for more than five years unless the Secretary of Defense determines that a lease for a longer period will promote the national defense or be in the public interest;

''(2) may give the lessee the first right to buy the property if the lease is revoked to allow the United States to sell the property under any other provision of law;

''(3) shall permit the Secretary to revoke the lease at any time, unless the Secretary determines that the omission of such a provision will promote the national defense or be in the public interest;

''(4) shall provide for the payment (in cash or in kind) by the lessee of consideration in an amount that is not less than the fair market value of the lease interest, as determined by the Secretary; and

''(5) may provide, notwithstanding any other provision of law, for the improvement, maintenance, protection, repair, restoration, or replacement by the lessee, of the property leased as the payment of part or all of the consideration for the lease.

''(c) COMPETITIVE SELECTION.—(1) If the term of a proposed lease under subsection (a) exceeds one year and the fair market value of the lease interest exceeds $100,000, as determined by the Secretary of Defense, the Secretary shall use competitive procedures to select the lessee.

''(2) Not later than 45 days before entering into a lease described in paragraph (1), the Secretary shall submit to Congress a written notice describing the terms of the proposed lease and the competitive procedures used to select the lessee.

''(d) DISPOSITION OF MONEY RENT.—Money rentals received pursuant to a lease entered into by the Secretary of Defense under subsection (a) shall be deposited in a special account in the Treasury established for the Defense Agency whose property is subject to the lease. Amounts in a Defense Agency's special account shall be available, to the extent provided in appropriations Acts, solely for the maintenance, repair, restoration, or replacement of the leased property.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2667 the following new item:

''2667a. Leases: non-excess property of Defense Agencies.''.

SEC. 1063. DONATION OF EXCESS CHAPEL PROPERTY TO CHURCHES DAMAGED OR DESTROYED BY ARSON OR OTHER ACTS OF TERRORISM.

(a) AUTHORITY TO DONATE.—Chapter 153 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2580. Donation of excess chapel property

''(a) AUTHORITY TO DONATE.—The Secretary of a military department may donate personal property specified in subsection (b) to an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is a religious organization in order to assist the organization in restoring or replacing property of the organization that has been damaged or destroyed as a result of an act of arson or terrorism, as determined pursuant to procedures prescribed by the Secretary of Defense.

''(b) PROPERTY COVERED.—(1) The property authorized to be donated under subsection (a) is furniture and other personal property that—

''(A) is in, or was formerly in, a chapel under the jurisdiction of the Secretary of a military department and closed or being closed; and

''(B) is determined by the Secretary to be excess to the requirements of the armed forces.

''(2) No real property may be donated under this section.

''(c) DONEES NOT TO BE CHARGED.—No charge may be imposed by the Secretary of a military department on a donee of property under this section in connection with the donation. However, the donee shall agree to defray any expense for shipping or other transportation of property donated under this section from the location of the property when donated to any other location.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2580. Donation of excess chapel property.''.

SEC. 1064. AUTHORITY OF THE SECRETARY OF DEFENSE CONCERNING DISPOSAL OF ASSETS UNDER COOPERATIVE AGREEMENTS ON AIR DEFENSE IN CENTRAL EUROPE.

(a) GENERAL AUTHORITIES.—The Secretary of Defense, pursuant to an amendment or amendments to the European air defense agreements, may dispose of any defense articles owned by the United States and acquired to carry out such agreements by providing such articles to the Federal Republic of Germany. In carrying out such disposal, the Secretary—

(1) may provide without monetary charge to the Federal Republic of Germany articles specified in the agreements; and

(2) may accept from the Federal Republic of Germany (in exchange for the articles provided under paragraph (1)) articles, services, or any other consideration, as determined appropriate by the Secretary.

(b) DEFINITION OF EUROPEAN AIR DEFENSE AGREEMENTS.—For the purposes of this section, the term ''European air defense agreements'' means—

(1) the agreement entitled ''Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany on Cooperative Measures for Enhancing Air Defense for Central Europe'', signed on December 6, 1983; and

(2) the agreement entitled ''Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany in implementation of the 6 December 1983 Agreement on Cooperative Measures for Enhancing Air Defense for Central Europe'', signed on July 12, 1984.

SEC. 1065. SALE OF EXCESS, OBSOLETE, OR UNSERVICEABLE AMMUNITION AND AMMUNITION COMPONENTS.

(a) AUTHORITY.—(1) Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 4687. Sale of excess, obsolete, or unserviceable ammunition and ammunition components

''(a) AUTHORITY TO SELL OUTSIDE DOD.—The Secretary of the Army may sell to an eligible purchaser described in subsection (c) ammunition or ammunition components that are excess, obsolete, or unserviceable and have not been demilitarized if—

''(1) the purchaser enters into an agreement, in advance, with the Secretary—

''(A) to demilitarize the ammunition or components; and

''(B) to reclaim, recycle, or reuse the component parts or materials; or

''(2) the Secretary, or an official of the Department of the Army designated by the Secretary, approves the use of the ammunition or components proposed by the purchaser as being consistent with the public interest.

''(b) METHOD OF SALE.—The Secretary shall use competitive procedures to sell ammunition and ammunition components under this section, except that the Secretary may use procedures other than competitive procedures in any case in which the Secretary determines that there is only one potential buyer of the items being offered for sale.

''(c) ELIGIBLE PURCHASERS.—To be eligible to purchase excess, obsolete, or unserviceable ammunition or ammunition components under this section, the purchaser shall be a licensed manufacturer (as defined in section 921(10) of title 18) that, as determined by the Secretary, has a capability to modify, reclaim, transport, and either store or sell the ammunition or ammunition components sought to be purchased.

''(d) HOLD HARMLESS AGREEMENT.—The Secretary shall require a purchaser of ammunition or ammunition components under this section to agree to hold harmless and indemnify the United States from any claim for damages for death, injury, or other loss resulting from a use of the ammunition or ammunition components, except in a case of willful misconduct or gross negligence of a representative of the United States.

''(e) VERIFICATION OF DEMILITARIZATION.—The Secretary shall establish procedures for ensuring that a purchaser of ammunition or ammunition components under this section demilitarizes the ammunition or ammunition components in accordance with any agreement to do so under subsection (a)(1). The procedures shall include on-site verification of demilitarization activities.

''(f) CONSIDERATION.—The Secretary may accept ammunition, ammunition components, or ammunition demilitarization services as consideration for ammunition or ammunition components sold under this section. The fair market value of any such consideration shall be equal to or exceed the fair market value or, if higher, the sale price of the ammunition or ammunition components sold.

''(g) RELATIONSHIP TO ARMS EXPORT CONTROL ACT.—Nothing in this section shall be construed to affect the applicability of section 38 of the Arms Export Control Act (22 U.S.C. 2778) to sales of ammunition or ammunition components on the United States Munitions List.

''(h) DEFINITIONS.—In this section:

''(1) The term 'excess, obsolete, or unserviceable', with respect to ammunition or ammunition components, means that the ammunition or ammunition components are no longer necessary for war reserves or for support of training of the Army or production of ammunition or ammunition components.

''(2) The term 'demilitarize', with respect to ammunition or ammunition components—

''(A) means to destroy the military offensive or defensive advantages inherent in the ammunition or ammunition components; and

''(B) includes any mutilation, scrapping, melting, burning, or alteration that prevents the use of the ammunition or ammunition components for the military purposes for which the ammunition or ammunition components was designed or for a lethal purpose.''.

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

''4687. Sale of excess, obsolete, or unserviceable ammunition and ammunition components.''.

(b) REVIEW OF INITIAL SALES.—(1) For each of the first three fiscal years during which the Secretary of the Army sells ammunition or ammunition components under the authority of section 4687 of title 10, United States Code, as added by subsection (a), the Director of the Army Audit Agency shall conduct a review of sales under such section to ensure that—

(A) purchasers that enter into an agreement under subsection (a)(1) of such section to demilitarize the purchased ammunition or ammunition components fully comply with the agreement; and

(B) purchasers that are authorized under subsection (a)(2) of such section to use the purchased ammunition or ammunition components actually use the ammunition or ammunition components in the manner proposed.

(2) Not later than 180 days after the end of each fiscal year in which the review is conducted, the Secretary of the Army shall submit to Congress a report containing the results of the review for the fiscal year covered by the report.

SEC. 1066. TRANSFER OF B–17 AIRCRAFT TO MUSEUM.

(a) AUTHORITY.—The Secretary of the Air Force may convey, without consideration to the Planes of Fame Museum, Chino, California (in this section referred to as the ''museum''), all right, title, and interest of the United States in and to the B–17 aircraft known as the ''Picadilly Lilly'', an aircraft that has been in the possession of the museum since 1959. Such a conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The Secretary may not convey ownership of the aircraft under subsection (a) until the Secretary determines that the museum has altered the aircraft in such manner as the Secretary determines necessary to ensure that the aircraft does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) REVERTER UPON TRANSFER OF OWNERSHIP OR POSSESSION.—The Secretary shall include in the instrument of conveyance of the aircraft—

(1) a condition that the museum not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary of the Air Force; and

(2) a condition that if the Secretary of the Air Force determines at any time that the museum has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance authorized by this section shall be made at no cost to the United States. Any costs associated with such conveyance, including costs of determining compliance with subsection (b), shall be borne by the museum.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) CLARIFICATION OF LIABILITY.—Notwithstanding any other provision of law, upon conveyance of ownership of the B–17 aircraft specified in subsection (a) to the museum, the United States shall not be liable for any death, injury, loss, or damage that results from any use of that aircraft by any person other than the United States.

SEC. 1067. REPORT ON DISPOSAL OF EXCESS AND SURPLUS MATERIALS.

(a) REPORT REQUIRED.—Not later than January 31, 1998, the Secretary of Defense shall submit to Congress a report on the actions that have been taken or are planned to be taken within the Department of Defense to address problems with the sale or other disposal of materials that are excess or surplus to the needs of the Department of Defense.

(b) REQUIRED CONTENT.— At a minimum, the report shall address the following issues:

(1) The effort to standardize the coding of military equipment for demilitarization at all stages of the process, from initial acquisition through disposal.

(2) The changes underway to improve the methods used for the demilitarization of military equipment.

(3) Recent efforts to improve the accuracy of coding performed by Government employees and contractor employees.

(4) Recent efforts to improve the enforcement of the penalties that are applicable to Government employees and contractor employees who fail to comply with rules or procedures applicable to the demilitarization of military equipment.

(5) The methods of oversight and enforcement used by the Department of Defense to review the demilitarization of military equipment by the purchasers of the equipment.

(6) The current and planned controls designed to prevent the inappropriate transfer of excess military equipment outside the United States.

(7) The current procedures used by the Department, including repurchase, to recover military equipment that is sold or otherwise disposed of without appropriate action having been taken to demilitarize the equipment or to provide for demilitarization of the equipment.

(8) The legislative changes, if any, that would be necessary to improve the recovery rate under the procedures identified under paragraph (7).

(c) IDENTIFICATION OF FREQUENT ERRORS AND MISUSE.—Based on fiscal year 1997 findings, the Secretary of Defense shall identify in the report—

(1) the 50 categories of military equipment that most frequently received an erroneous demilitarization code; and

(2) the categories of military equipment that are particularly vulnerable to improper use after disposal.

Subtitle G—Other Matters

SEC. 1071. AUTHORITY FOR SPECIAL AGENTS OF THE DEFENSE CRIMINAL INVESTIGATIVE SERVICE TO EXECUTE WARRANTS AND MAKE ARRESTS.

(a) AUTHORITY.—Chapter 81 of title 10, United States Code, is amended by inserting after section 1585 the following new section:

''§1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests

''(a) AUTHORITY.—The Secretary of Defense may authorize any DCIS special agent described in subsection (b)—

''(1) to execute and serve any warrant or other process issued under the authority of the United States; and

''(2) to make arrests without a warrant—

''(A) for any offense against the United States committed in the presence of that agent; and

''(B) for any felony cognizable under the laws of the United States if the agent has probable cause to believe that the person to be arrested has committed or is committing the felony.

''(b) AGENTS TO HAVE AUTHORITY.—Subsection (a) applies to any DCIS special agent whose duties include conducting, supervising, or coordinating investigations of criminal activity in programs and operations of the Department of Defense.

''(c) GUIDELINES ON EXERCISE OF AUTHORITY.—The authority provided under subsection (a) shall be exercised in accordance with guidelines prescribed by the Inspector General of the Department of Defense and approved by the Attorney General and any other applicable guidelines prescribed by the Secretary of Defense or the Attorney General.

''(d) DCIS SPECIAL AGENT DEFINED.—In this section, the term 'DCIS special agent' means an employee of the Department of Defense who is a special agent of the Defense Criminal Investigative Service (or any successor to that service).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1585 the following new item:

''1585a. Special agents of the Defense Criminal Investigative Service: authority to execute warrants and make arrests.''.

SEC. 1072. STUDY OF INVESTIGATIVE PRACTICES OF MILITARY CRIMINAL INVESTIGATIVE ORGANIZATIONS RELATING TO SEX CRIMES.

(a) INDEPENDENT STUDY REQUIRED.—(1) The Secretary of Defense shall provide for an independent study of the policies, procedures, and practices of the military criminal investigative organizations for the conduct of investigations of complaints of sex crimes and other criminal sexual misconduct arising in the Armed Forces.

(2) The Secretary shall provide for the study to be conducted by the National Academy of Public Administration. The amount of a contract for the study may not exceed $2,000,000.

(3) The Secretary shall require that all components of the Department of Defense cooperate fully with the organization carrying out the study.

(b) MATTERS TO BE INCLUDED IN STUDY.—The Secretary shall require that the organization conducting the study under this section specifically consider each of the following matters:

(1) The need (if any) for greater organizational independence and autonomy for the military criminal investigative organizations than exists under current chain-of-command structures within the military departments.

(2) The authority of each of the military criminal investigative organizations to investigate allegations of sex crimes and other criminal sexual misconduct and the policies of those organizations for carrying out such investigations.

(3) The training (including training in skills and techniques related to the conduct of interviews) provided by each of those organizations to agents or prospective agents responsible for conducting or providing support to investigations of alleged sex crimes and other criminal sexual misconduct, including—

(A) the extent to which that training is comparable to the training provided by the Federal Bureau of Investigation and other civilian law enforcement agencies; and

(B) the coordination of training and investigative policies related to alleged sex crimes and other criminal sexual misconduct of each of those organizations with the Federal Bureau of Investigation and other civilian Federal law enforcement agencies.

(4) The procedures and relevant professional standards of each military criminal investigative organization with regard to recruitment and hiring of agents, including an evaluation of the extent to which those procedures and standards provide for—

(A) sufficient screening of prospective agents based on background investigations; and

(B) obtaining sufficient information about the qualifications and relevant experience of prospective agents.

(5) The advantages and disadvantages of establishing, within each of the military criminal investigative organizations or within the Defense Criminal Investigative Service only, a special unit for the investigation of alleged sex crimes and other criminal sexual misconduct.

(6) The clarity of guidance for, and consistency of investigative tactics used by, each of the military criminal investigative organizations for

the investigation of alleged sex crimes and other criminal sexual misconduct, together with a comparison with the guidance and tactics used by the Federal Bureau of Investigation and other civilian law enforcement agencies for such investigations.

(7) The number of allegations of agent misconduct in the investigation of sex crimes and other criminal sexual misconduct for each of those organizations, together with a comparison with the number of such allegations concerning agents of the Federal Bureau of Investigation and other civilian law enforcement agencies for such investigations.

(8) The procedures of each of the military criminal investigative organizations for administrative identification (known as ''titling'') of persons suspected of committing sex crimes or other criminal sexual misconduct, together with a comparison with the comparable procedures of the Federal Bureau of Investigation and other civilian Federal law enforcement agencies for such investigations.

(9) The accuracy, timeliness, and completeness of reporting of sex crimes and other criminal sexual misconduct by each of the military criminal investigative organizations to the National Crime Information Center maintained by the Department of Justice.

(10) Any recommendation for legislation or administrative action to revise the organizational or operational arrangements of the military criminal investigative organizations or to alter recruitment, training, or operational procedures, as they pertain to the investigation of sex crimes and other criminal sexual misconduct.

(c) REPORT.—(1) The Secretary of Defense shall require the organization conducting the study under this section to submit to the Secretary a report on the study not later than one year after the date of the enactment of this Act. The organization shall include in the report its findings and conclusions concerning each of the matters specified in subsection (b).

(2) The Secretary shall submit the report under paragraph (1), together with the Secretary's comments on the report, to Congress not later than 30 days after the date on which the report is submitted to the Secretary under paragraph (1).

(d) MILITARY CRIMINAL INVESTIGATIVE ORGANIZATION DEFINED.—For the purposes of this section, the term ''military criminal investigative organization'' means any of the following:

(1) The Army Criminal Investigation Command.

(2) The Naval Criminal Investigative Service.

(3) The Air Force Office of Special Investigations.

(4) The Defense Criminal Investigative Service.

(e) CRIMINAL SEXUAL MISCONDUCT DEFINED.—For the purposes of this section, the term ''criminal sexual misconduct'' means conduct by a member of the Armed Forces involving sexual abuse, sexual harassment, or other sexual misconduct that constitutes an offense under the Uniform Code of Military Justice.

SEC. 1073. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are each amended by striking out ''471'' in the item relating to chapter 23 and inserting in lieu thereof ''481''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, are each amended by striking out ''2540'' in the item relating to chapter 152 and inserting in lieu thereof ''2541''.

(3) Section 116(b)(2) is amended by striking out ''such subsection'' and inserting in lieu thereof ''subsection (a)''.

(4) Section 129c(e)(1) is amended by striking out ''section 115a(g)(2)'' and inserting in lieu thereof ''section 115a(e)(2)''.

(5) Section 193(d)(1) is amended by striking out ''performs'' and inserting in lieu thereof ''perform''.

(6) Section 382(g) is amended by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997'' and inserting in lieu thereof ''September 23, 1996''.

(7) Section 443(b)(1) is amended by striking out the period at the end and inserting in lieu thereof a semicolon.

(8) Section 445 is amended—

(A) by striking out ''(1)'' before ''Except with'';

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively;

(C) by striking out ''(2)'' before ''Whenever it appears'' and inserting in lieu thereof ''(b) INJUNCTIVE RELIEF.—''; and

(D) by striking out ''paragraph (1)'' and inserting in lieu thereof ''subsection (a)''.

(9) Section 858b(a)(1) is amended in the first sentence by striking out ''forfeiture'' and all that follows through ''due that member'' and inserting in lieu thereof ''forfeiture of pay, or of pay and allowances, due that member''.

(10) The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X of chapter 47 is amended by striking out ''Art.''.

(11) Section 943(c) is amended—

(A) by capitalizing the initial letter of the third word of the subsection heading;

(B) in the second sentence, by striking out ''Court'' and inserting in lieu thereof ''court''; and

(C) in the third sentence, by striking out ''such positions'' and inserting in lieu thereof ''positions referred to in the preceding sentences''.

(12) Section 954 is amended by striking out ''this'' and inserting in lieu thereof ''his''.

(13) Section 971(b)(4) is amended by capitalizing the first letter of the fifth and sixth words.

(14) Section 972(b) is amended by striking out ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' in the matter preceding paragraph (1) and inserting in lieu thereof ''February 10, 1996''.

(15) Section 976(f) is amended by striking out ''shall,'' and all that follows and inserting in lieu thereof ''shall be fined under title 18 or imprisoned not more than 5 years, or both, except that, in the case of an organization (as defined in section 18 of such title), the fine shall not be less than $25,000.''.

(16) Section 977 is amended—

(A) in subsection (c), by striking out ''Beginning on October 1, 1996, not more than'' and inserting in lieu thereof ''Not more than''; and

(B) in subsection (d)(2), by striking out ''before October 1, 1996,'' and all that follows through ''so assigned'' the second place it appears.

(17) Section 1078a(g)(4)(B)(iii)(II) is amended by striking out ''section 1447(8)'' and inserting in lieu thereof ''section 1447(13)''.

(18) Section 1129(c) is amended—

(A) by striking out ''the date of the enactment of this section,'' and inserting in lieu thereof ''November 30, 1993,''; and

(B) by striking out ''before the date of the enactment of this section or'' and inserting in lieu thereof ''before such date or''.

(19) Section 1151(b) is amended by capitalizing the first letter of the second word in the subsection heading.

(20) Section 1152(g) is amended by inserting ''(1)'' before ''The Secretary may''.

(21) Section 1143(d) is amended by striking out ''section 806(a)(2) of the Military Family Act of 1985'' and inserting in lieu thereof ''section 1784(a)(2) of this title''.

(22) Section 1174(a)(1) is amended by striking out '', 1177,''.

(23) Section 1406 is amended—

(A) by striking out ''3962(b)'' in footnote number 3 in the table in subsection (b)(1) and in footnote number 1 in the table in subsection (c)(1) and inserting in lieu thereof ''3962''; and

(B) by striking out ''8962(b)'' in footnote number 3 in the table in subsection (b)(1) and in footnote number 1 in the table in subsection (e)(1) and inserting in lieu thereof ''8962''.

(24) Section 1408(d) is amended—

(A) by decapitalizing the first letter of the fifth word in the subsection heading;

(B) by redesignating the second paragraph (6) as paragraph (7); and

(C) in paragraph (7), as so redesignated, by striking out ''out-of State'' in subparagraph (A) and inserting in lieu thereof ''out-of-State''.

(25) Section 1408(g) is amended by decapitalizing the first letter of the second and ninth words in the subsection heading.

(26) Section 1444a(b) is amended by striking out ''section 1455(c)'' and inserting in lieu thereof ''section 1455(d)(2)''.

(27) Section 1448 is amended by capitalizing the first letter of the third word of the section heading.

(28) Section 1451(a)(2) is amended by inserting a period in the paragraph heading before the one-em dash.

(29) Section 1452 is amended—

(A) in subsection (a)(1)(A), by striking out ''providing'' in the matter preceding clause (i) and inserting in lieu thereof ''provided''; and

(B) in subsection (e), by striking out ''section 8339(i)'' and ''section 8331(b)'' and inserting in lieu thereof ''section 8339(j)'' and ''section 8341(b)'', respectively.

(30) Section 1504(i)(1) is amended by striking out ''this subsection'' and inserting in lieu thereof ''this section''.

(31) Section 1599c(c)(1)(F) is amended by striking out ''Sections 106(f)'' and inserting in lieu thereof ''Sections 106(e)''.

(32) Section 1613(a) is amended by striking out ''1604'' and inserting in lieu thereof ''1603''.

(33) Section 1763 is amended—

(A) by striking out ''On and after October 1, 1993, the Secretary of Defense'' and inserting in lieu thereof ''The Secretary of Defense''; and

(B) by striking out ''secretaries'' and inserting in lieu thereof ''Secretaries''.

(34) Section 1792 is amended—

(A) in subsection (a)(1), by striking out the comma after ''implementing''; and

(B) in subsection (d)(2), by striking out ''section 1794'' and inserting in lieu thereof ''section 1784''.

(35) Section 2010(e) is repealed.

(36) Section 2107a(g) is amended by inserting ''the'' after ''August 1, 1979, as a member of''.

(37) Section 2109(c)(1)(A) is amended by striking out ''section 2106(b)(6)'' and inserting in lieu thereof ''section 2104(b)(6)''.

(38) Section 2114(h) is amended by striking out ''section 2123(e)(1)'' and inserting in lieu thereof ''section 2123(e)''.

(39) Section 2198(c) is amended by striking out ''identified in'' and all that follows through the period at the end and inserting in lieu thereof ''that is identified under section 2505 of this title as critical for attaining the national security objectives set forth in section 2501(a) of this title.''.

(40) Section 2249a(a)(1) is amended by striking out ''50 App. 2405(j)'' and inserting in lieu thereof ''50 U.S.C. App. 2405(j)(1)(A)''.

(41) Section 2302d(a)(2) is amended by striking out ''procurement of'' and inserting in lieu thereof ''procurement for the system is estimated to be''.

(42) Section 2304(c)(5) is amended by striking out ''subsection (j)'' and inserting in lieu thereof ''subsection (k)''.

(43) Section 2304(f) is amended—

(A) in paragraph (1)(B)(iii), by striking out ''(6)(C)'' and inserting in lieu thereof ''(6)(B)''; and

(B) in paragraph (6)—

(i) by striking out subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph by striking out ''paragraph (1)(B)(iv)'' and inserting in lieu thereof ''paragraph (1)(B)(iii)''.

(44) Section 2305a(a) is amended by striking out ''(41 U.S.C.'' and inserting in lieu thereof ''(40 U.S.C.''.

(45) Section 2306(h) is amended by inserting ''for the purchase of property'' after ''Multiyear contracting authority''.

(46) Section 2306a(a)(5) is amended by striking out ''subsection (b)(1)(B)'' and inserting in lieu thereof ''subsection (b)(1)(C)''.

(47) Section 2306b is amended by striking out ''this subsection'' in the first sentence of subsection (k) and inserting in lieu thereof ''this section''.

(48)(A) The heading of section 2306b is amended to read as follows:

''§ 2306b. Multiyear contracts: acquisition of property''.

(B) The item relating to such section in the table of sections at the beginning of chapter 137 is amended to read as follows:

''2306b. Multiyear contracts: acquisition of property.''.

(49) Section 2315(a) is amended by striking out ''the Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)''.

(50) Section 2371a is amended by inserting ''Defense'' before ''Advanced Research Projects Agency''.

(51) Section 2375(c) is amended—

(A) by striking out ''provisions relating to exceptions'' and inserting in lieu thereof ''a provision relating to an exception''; and

(B) by striking out ''section 2306a(d)'' and inserting in lieu thereof ''section 2306a(b)''.

(52) Section 2401a(a) is amended by striking out ''leasing of such vehicles'' and inserting in lieu thereof ''such leasing''.

(53) Section 2491(8) is amended by striking out ''that appears'' and all that follows through the period at the end and inserting in lieu thereof ''that is identified under section 2505 of this title as critical for attaining the national security objectives set forth in section 2501(a) of this title.''.

(54) Section 2533(a) is amended by striking out the first closing parenthesis after ''41 U.S.C. 10a''.

(55) Section 2534(b)(3) is amended by striking out ''(a)(3)(A)(ii)'' and inserting in lieu thereof ''(a)(3)(A)(iii)''.

(56) Section 2554(c)(1) is amended by striking out ''the date of the enactment of this Act'' and inserting in lieu thereof ''September 23, 1996''.

(57) Section 2645(a)(1)(B) is amended by striking out ''on which'' after ''the date on which''.

(58) Section 2684(b) is amended by striking out '', United States Code,''.

(59) Section 2694(b)(1)(D) is amended by striking out ''executive ageny'' and inserting in lieu thereof ''executive agency''.

(60) Section 2878(d)(4) is amended by striking out ''11401'' and inserting in lieu thereof ''11411''.

(61) Section 2885 is amended by striking out ''five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996'' and inserting in lieu thereof ''on February 10, 2001''.

(62) Sections 4342(a)(10), 6954(a)(10), and 9342(a)(10) are amended by striking out ''Marianas'' and inserting in lieu thereof ''Mariana''.

(63) Section 7606(e) is amended by striking out ''sections'' and inserting in lieu thereof ''section''.

(64) Section 7902(b)(8) is amended by inserting ''United States'' before ''Geological Survey''.

(65) Section 8038(e) is amended by striking out ''(1)''.

(66) The item relating to section 8069 in the table of sections at the beginning of chapter 807 is amended by striking out ''Nurse Corps'' and inserting in lieu thereof ''nurses''.

(67) Section 12733(3) is amended—

(A) by inserting a comma after ''(B)''; and

(B) by striking out ''in which the date of the enactment of the National Defense Authorization Act for Fiscal Year 1997 occurs'' and inserting in lieu thereof ''that includes September 23, 1996,''.

(68) Section 14317(d) is amended by striking out ''section 14314'' in the first sentence and inserting in lieu thereof ''section 14315''.

(b) TITLE 37, UNITED STATES CODE.—Section 205(d) of title 37, United States Code, is amended by striking out the period after ''August 1, 1979'' and inserting in lieu thereof a comma.

(c) PUBLIC LAW 104–201.—Effective as of September 23, 1996, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) is amended as follows:

(1) Section 324(b)(2) (110 Stat. 2480) is amended by inserting after ''In this subsection'' the following: ''and subsection (c)''.

(2) Section 367 (110 Stat. 2496) is amended—

(A) in subsection (a), by striking out ''Subchapter II of chapter'' and inserting in lieu thereof ''Chapter''; and

(B) in subsection (b), by striking out ''subchapter'' and inserting in lieu thereof ''chapter''.

(3) Section 371(a) (110 Stat. 2499) is amended by striking out ''Section 559(a)(1)'' and inserting in lieu thereof ''Section 559''.

(4) Section 531(a) (110 Stat. 2517) is amended by inserting ''of title 10, United States Code,'' before ''is amended''.

(5) Section 614(b)(2)(B) (110 Stat. 2544) is amended by striking out ''the period'' and inserting in lieu thereof ''the semicolon''.

(6) Section 802(1) (110 Stat. 2604) is amended by striking out ''1995'' in the first quoted matter therein and inserting in lieu thereof ''1996''.

(7) Section 829(c) (110 Stat. 2612) is amended—

(A) in paragraph (2), by striking out ''Section 2502(b)'' and inserting in lieu thereof ''Section 2502(c)''; and

(B) by redesignating paragraph (3) as subparagraph (C) of paragraph (2).

(8) Section 1116(b) (110 Stat. 2686) is amended by striking out ''section 1122'' and inserting in lieu thereof ''section 1111''.

(9) Section 1606 (110 Stat. 2737) is amended—

(A) in subsection (a)(1)—

(i) by striking out the comma before ''or are''; and

(ii) by inserting a semicolon after ''Secretary of Defense'';

(B) in subsection (b)(1)(A), by striking out ''Secretary of each'' and inserting in lieu thereof ''secretary of each''; and

(C) in subsection (b)(2)(B), by inserting a semicolon after ''Defense''.

(d) OTHER ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) Effective as of February 10, 1996, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) is amended as follows:

(A) Section 321(a)(2)(A) (110 Stat. 251) is amended by striking out ''2710(d)'' and inserting in lieu thereof ''2701(d)''.

(B) Section 356(d)(3) (110 Stat. 271) is amended by striking out ''or'' after ''to any provision'' and inserting in lieu thereof ''of''.

(C) Section 533(b) (110 Stat. 315) is amended by inserting before the period at the end the following: ''and the amendments made by subsection (b), effective as of October 5, 1994''.

(D) Section 703(b) (110 Stat. 372) is amended by striking out ''Such paragraph'' and inserting in lieu thereof ''Such section''.

(E) Section 1501 (110 Stat. 500) is amended—

(i) in subsection (d)(1), by striking out ''337(b)'' and ''2717'' and inserting in lieu thereof ''377(b)'' and ''2737'', respectively; and

(ii) in subsection (f)(2), by inserting ''of the Reserve Officer Personnel Management Act'' before ''shall take''.

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(A) Section 812(c) (10 U.S.C. 1723 note) is amended by inserting ''and Technology'' after ''for Acquisition''.

(B) Section 1091(l)(3) (32 U.S.C. 501 note) is amended by striking out ''the day preceding the date of the enactment of this Act'' and inserting in lieu thereof ''October 19, 1994''.

(C) Section 4471 (10 U.S.C. 2501 note) is amended by realigning subsection (e) so as to be flush to the left margin.

(3) Section 807(b)(2)(A) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 2320 note) is amended by inserting before the period the following: ''and Technology''.

(4) The National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) is amended as follows:

(A) Section 1205 (10 U.S.C. 1746 note) is amended by striking out ''Under Secretary of Defense for Acquisition'' each place it appears and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''.

(B) Section 2905 (10 U.S.C. 2687 note) is amended—

(i) in subsection (b)(7), by striking out ''4331'' in subparagraphs (K)(iii) and (L)(iv)(III) and inserting in lieu thereof ''4321''; and

(ii) in subsection (f)(3), by striking out ''section 2873(a)'' and inserting in lieu thereof ''section 2883(a)''.

(C) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(B), by striking out ''Defense Subcommittees'' and inserting in lieu thereof ''Subcommittee on Defense''; and

(ii) in subsection (f)(2), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(5) Section 1121(c) of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 10 U.S.C. 113 note) is amended by striking out ''under this section—'' and all that follow through ''fiscal year 1990'' and inserting in lieu thereof ''under this section may not exceed 5,000 during any fiscal year''.

(6) Section 204(e)(3) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking out ''section 2873(a)'' and inserting in lieu thereof ''section 2883(a)''.

(e) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended as follows:

(1) Section 5315 is amended—

(A) in the item relating to the Chief Information Officer of the Department of the Interior, by inserting ''the'' before ''Interior''; and

(B) in the item relating to the Chief Information Officer of the Department of the Treasury, by inserting ''the'' before ''Treasury''.

(2) Section 5316 is amended by striking out ''Atomic Energy'' after ''Assistant to the Secretary of Defense for'' and inserting in lieu thereof ''Nuclear and Chemical and Biological Defense Programs''.

(f) ACT OF AUGUST 10, 1956.—Section 3(a)(3) of the Act of August 10, 1956 (33 U.S.C. 857a) is amended by striking out ''1374,''.

(g) ACQUISITION POLICY STATUTES.—

(1) Section 309 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259) is amended by striking out ''and'' at the end of subsection (b)(2).

(2) The Office of Federal Procurement Policy Act is amended as follows:

(A) The item relating to section 27 in the table of contents in section 1(b) is amended to read as follows:

''Sec. 27. Restrictions on disclosing and obtaining contractor bid or proposal information or source selection information.''.

(B) Section 6(d) (41 U.S.C. 405(d)) is amended—

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

(ii) by moving paragraph (6) two ems to the left; and

(iii) in paragraph (12), by striking out ''small business'' and inserting in lieu thereof ''small businesses''.

(C) Section 35(b)(2) (41 U.S.C. 431(b)(2)) is amended by striking out ''commercial'' and inserting in lieu thereof ''commercially available''.

(3) Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended in subsections (d) and (e) by striking out ''(as in effect on September 30, 1995)'' each place it appears.

(4) Subsections (d)(1) and (e) of section 16 of the Small Business Act (15 U.S.C. 645) are each amended by striking out ''concerns'' and inserting in lieu thereof ''concern''.

(h) AMENDMENTS TO CONFORM CHANGE IN SHORT TITLE OF INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1996.—

(1) Section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3) is amended in subsections (a)(4) and (b)(2) by striking out ''Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''Clinger-Cohen Act of 1996 (40 U.S.C. 1441)''.

(2) Section 612(f) of title 28, United States Code, is amended by striking out ''the Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)''.

(3) Section 310(b) of title 38, United States Code, is amended by striking out ''the Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)''.

(4) Section 6(b) of the Computer Security Act of 1987 (40 U.S.C. 1441 note) is amended by striking out ''Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''Clinger-Cohen Act of 1996 (40 U.S.C. 1441)''.

(5) Chapter 35 of title 44, United States Code, is amended—

(A) in section 3502(9)—

(i) by striking out ''the Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''the Clinger-Cohen Act of 1996 (40 U.S.C. 1401)''; and

(ii) by inserting ''(40 U.S.C. 1452)'' after ''that Act'';

(B) in section 3504(h)(2), by striking out ''the Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.)''; and

(C) in sections 3504(g)(2), 3504(g)(3), 3504(h)(1)(B), and 3518(d) by striking out ''Information Technology Management Reform Act of 1996'' and inserting in lieu thereof ''Clinger-Cohen Act of 1996 (40 U.S.C. 1441)''.

(i) COORDINATION WITH OTHER AMENDMENTS.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

SEC. 1074. SUSTAINMENT AND OPERATION OF THE GLOBAL POSITIONING SYSTEM.

(a) FINDINGS.—Congress makes the following findings:

(1) The Global Positioning System (consisting of a constellation of satellites and associated facilities capable of providing users on earth with a highly precise statement of their location on earth) makes significant contributions to the attainment of the national security and foreign policy goals of the United States, the safety and efficiency of international transportation, and the economic growth, trade, and productivity of the United States.

(2) The infrastructure for the Global Positioning System (including both space and ground segments of the infrastructure) is vital to the effectiveness of United States and allied military forces and to the protection of the national security interests of the United States.

(3) In addition to having military uses, the Global Positioning System has essential civil, commercial, and scientific uses.

(4) As a result of the increasing demand of civil, commercial, and scientific users of the Global Positioning System—

(A) there has emerged in the United States a new commercial industry to provide Global Positioning System equipment and related services to the many and varied users of the system; and

(B) there have been rapid technical advancements in Global Positioning System equipment and services that have contributed significantly to reductions in the cost of the Global Positioning System and increases in the technical capabilities and availability of the system for military uses.

(5) It is in the national interest of the United States for the United States—

(A) to support continuation of the multiple-use character of the Global Positioning System;

(B) to promote broader acceptance and use of the Global Positioning System and the technological standards that facilitate expanded use of the system for civil purposes;

(C) to coordinate with other countries to ensure (i) efficient management of the electromagnetic spectrum used by the Global Positioning System, and (ii) protection of that spectrum in order to prevent disruption of signals from the system and interference with that portion of the electromagnetic spectrum used by the system; and

(D) to encourage open access in all international markets to the Global Positioning System and supporting equipment, services, and techniques.

(b) INTERNATIONAL COOPERATION.—Congress urges the President to promote the security of the United States and its allies, the public safety, and commercial interests by taking the following steps:

(1) Undertaking a coordinated effort within the executive branch to seek to establish the Global Positioning System, and augmentations to the system, as a worldwide resource.

(2) Seeking to enter into international agreements to establish signal and service standards that protect the Global Positioning System from disruption and interference.

(3) Undertaking efforts to eliminate any barriers to, and other restrictions of foreign governments on, peaceful uses of the Global Positioning System.

(4) Requiring that any proposed international agreement involving nonmilitary use of the Global Positioning System or any augmentation to the system not be agreed to by the United States unless the proposed agreement has been reviewed by the Secretary of State, the Secretary of Defense, the Secretary of Transportation, and the Secretary of Commerce (acting as the Interagency Global Positioning System Executive Board established by Presidential Decision Directive NSTC–6, dated March 28, 1996).

(c) FISCAL YEAR 1998 PROHIBITION OF SUPPORT OF FOREIGN SYSTEM.—None of the funds authorized to be appropriated under this Act may be used to support the operation and maintenance or enhancement of a satellite navigation system operated by a foreign country.

(d) IN GENERAL.—(1) Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 134 the following new chapter:

''CHAPTER 136—PROVISIONS RELATING TO SPECIFIC PROGRAMS

''Sec.
''2281. Global Positioning System.

''§ 2281. Global Positioning System

''(a) SUSTAINMENT AND OPERATION FOR MILITARY PURPOSES.—The Secretary of Defense shall provide for the sustainment of the capabilities of the Global Positioning System (hereinafter in this section referred to as the 'GPS'), and the operation of basic GPS services, that are beneficial for the national security interests of the United States. In doing so, the Secretary shall—

''(1) develop appropriate measures for preventing hostile use of the GPS so as to make it unnecessary for the Secretary to use the selective availability feature of the system continuously while not hindering the use of the GPS by the United States and its allies for military purposes; and

''(2) ensure that United States armed forces have the capability to use the GPS effectively despite hostile attempts to prevent the use of the system by such forces.

''(b) SUSTAINMENT AND OPERATION FOR CIVILIAN PURPOSES.—The Secretary of Defense shall provide for the sustainment and operation of the GPS Standard Positioning Service for peaceful civil, commercial, and scientific uses on a continuous worldwide basis free of direct user fees. In doing so, the Secretary—

''(1) shall provide for the sustainment and operation of the GPS Standard Positioning Service in order to meet the performance requirements of the Federal Radionavigation Plan prepared jointly by the Secretary of Defense and the Secretary of Transportation pursuant to subsection (c);

''(2) shall coordinate with the Secretary of Transportation regarding the development and implementation by the Government of augmentations to the basic GPS that achieve or enhance uses of the system in support of transportation;

''(3) shall coordinate with the Secretary of Commerce, the United States Trade Representative, and other appropriate officials to facilitate the development of new and expanded civil and commercial uses for the GPS;

''(4) shall develop measures for preventing hostile use of the GPS in a particular area without hindering peaceful civil use of the system elsewhere; and

''(5) may not agree to any restriction on the Global Positioning System proposed by the head of a department or agency of the United States outside the Department of Defense in the exercise of that official's regulatory authority that would adversely affect the military potential of the Global Positioning System.

''(c) FEDERAL RADIONAVIGATION PLAN.—The Secretary of Defense and the Secretary of Transportation shall jointly prepare the Federal Radionavigation Plan. The plan shall be revised and updated not less often than every two years. The plan shall be prepared in accordance with the requirements applicable to such plan as first prepared pursuant to section 507 of the International Maritime Satellite Telecommunications Act (47 U.S.C. 756). The plan, and any amendment to the plan, shall be published in the Federal Register.

''(d) BIENNIAL REPORT.—(1) Not later than 30 days after the end of each even-numbered fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Global Positioning System. The report shall include a discussion of the following matters:

''(A) The operational status of the system.

''(B) The capability of the system to satisfy effectively (i) the military requirements for the system that are current as of the date of the report, and (ii) the performance requirements of the Federal Radionavigation Plan.

''(C) The most recent determination by the President regarding continued use of the selective availability feature of the system and the expected date of any change or elimination of the use of that feature.

''(D) The status of cooperative activities undertaken by the United States with the governments of other countries concerning the capability of the system or any augmentation of the system to satisfy civil, commercial, scientific, and military requirements, including a discussion of the status and results of activities undertaken under any regional international agreement.

''(E) Any progress made toward establishing GPS as an international standard for consistency of navigational service.

''(F) Any progress made toward protecting GPS from disruption and interference.

''(G) The effects of use of the system on national security, regional security, and the economic competitiveness of United States industry, including the Global Positioning System equipment and service industry and user industries.

''(2) In preparing the parts of each such report required under subparagraphs (D), (E), (F), and (G) of paragraph (1), the Secretary of Defense shall consult with the Secretary of State, the Secretary of Commerce, and the Secretary of Transportation.

''(e) DEFINITIONS.—In this section:

''(1) The term 'basic GPS services' means the following components of the Global Positioning System that are operated and maintained by the Department of Defense:

''(A) The constellation of satellites.

''(B) The navigation payloads that produce the Global Positioning System signals.

''(C) The ground stations, data links, and associated command and control facilities.

''(2) The term 'GPS Standard Positioning Service' means the civil and commercial service provided by the basic Global Positioning System as defined in the 1996 Federal Radionavigation Plan (published jointly by the Secretary of Defense and the Secretary of Transportation in July 1997).''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are amended by inserting after the item relating to chapter 134 the following new item:

''136. Provisions Relating to Specific Programs ..... 2281''.

SEC. 1075. PROTECTION OF SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AIR CARRIERS.

(a) AUTHORITY TO PROTECT INFORMATION.—Section 2640 of title 10, United States Code, is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

''(h) AUTHORITY TO PROTECT SAFETY-RELATED INFORMATION VOLUNTARILY PROVIDED BY AN AIR CARRIER.—(1) Subject to paragraph (2), the Secretary of Defense may (notwithstanding any other provision of law) withhold from public disclosure safety-related information that is provided to the Secretary voluntarily by an air carrier for the purposes of this section.

''(2) Information may be withheld under paragraph (1) from public disclosure only if the Secretary determines that—

''(A) the disclosure of the information would inhibit an air carrier from voluntarily providing, in the future, safety-related information for the purposes of this section or for other air safety purposes involving the Department of Defense or another Federal agency; and

''(B) the receipt of such information generally enhances the fulfillment of responsibilities under this section or other air safety responsibilities involving the Department of Defense or another Federal agency.

''(3) If the Secretary provides to the head of another agency safety-related information described in paragraph (1) with respect to which the Secretary has made a determination described in paragraph (2), the head of that agency shall (notwithstanding any other provision of law) withhold the information from public disclosure unless the disclosure is specifically authorized by the Secretary.''.

(b) APPLICABILITY.—Subsection (h) of section 2640 of title 10, United States Code, as added by subsection (a), shall apply with respect to requests for information made on or after the date of the enactment of this Act.

SEC. 1076. NATIONAL GUARD CHALLENGE PROGRAM TO CREATE OPPORTUNITIES FOR CIVILIAN YOUTH.

(a) PROGRAM AUTHORITY.—Chapter 5 of title 32, United States Code, is amended by adding at the end the following new section:

''§ 509. National Guard Challenge Program of opportunities for civilian youth

''(a) PROGRAM AUTHORITY AND PURPOSE.—The Secretary of Defense, acting through the Chief of the National Guard Bureau, may conduct a National Guard civilian youth opportunities program (to be known as the 'National Guard Challenge Program') to use the National Guard to provide military-based training, including supervised work experience in community service and conservation projects, to civilian youth who cease to attend secondary school before graduating so as to improve the life skills and employment potential of such youth.

''(b) CONDUCT OF THE PROGRAM.—The Secretary of Defense shall provide for the conduct of the National Guard Challenge Program in such States as the Secretary considers to be appropriate, except that Federal expenditures under the program may not exceed $50,000,000 for any fiscal year.

''(c) PROGRAM AGREEMENTS.—(1) To carry out the National Guard Challenge Program in a State, the Secretary of Defense shall enter into an agreement with the Governor of the State or, in the case of the District of Columbia, with the commanding general of the District of Columbia National Guard, under which the Governor or the commanding general will establish, organize, and administer the National Guard Challenge Program in the State.

''(2) The agreement may provide for the Secretary to provide funds to the State for civilian personnel costs attributable to the use of civilian employees of the National Guard in the conduct of the National Guard Challenge Program.

''(d) MATCHING FUNDS REQUIRED.—The amount of assistance provided under this section to a State program of the National Guard Challenge Program may not exceed—

''(1) for fiscal year 1998, 75 percent of the costs of operating the State program during that year;

''(2) for fiscal year 1999, 70 percent of the costs of operating the State program during that year;

''(3) for fiscal year 2000, 65 percent of the costs of operating the State program during that year; and

''(4) for fiscal year 2001 and each subsequent fiscal year, 60 percent of the costs of operating the State program during that year.

''(e) PERSONS ELIGIBLE TO PARTICIPATE IN PROGRAM.—A school dropout from secondary school shall be eligible to participate in the National Guard Challenge Program. The Secretary of Defense shall prescribe the standards and procedures for selecting participants from among school dropouts.

''(f) AUTHORIZED BENEFITS FOR PARTICIPANTS.—(1) To the extent provided in an agreement entered into in accordance with subsection (c) and subject to the approval of the Secretary of Defense, a person selected for training in the National Guard Challenge Program may receive the following benefits in connection with that training:

''(A) Allowances for travel expenses, personal expenses, and other expenses.

''(B) Quarters.

''(C) Subsistence.

''(D) Transportation.

''(E) Equipment.

''(F) Clothing.

''(G) Recreational services and supplies.

''(H) Other services.

''(1) Subject to paragraph (2), a temporary stipend upon the successful completion of the training, as characterized in accordance with procedures provided in the agreement.

''(2) In the case of a person selected for training in the National Guard Challenge Program who afterwards becomes a member of the Civilian Community Corps under subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12611 et seq.), the person may not receive a temporary stipend under paragraph (1)(I) while the person is a member of that Corps. The person may receive the temporary stipend after completing service in the Corps unless the person elects to receive benefits provided under subsection (f) or (g) of section 158 of such Act (42 U.S.C. 12618).

''(g) PROGRAM PERSONNEL.—(1) Personnel of the National Guard of a State in which the National Guard Challenge Program is conducted may serve on full-time National Guard duty for the purpose of providing command, administrative, training, or supporting services for the program. For the performance of those services, any such personnel may be ordered to duty under section 502(f) of this title for not longer than the period of the program.

''(2) A Governor participating in the National Guard Challenge Program and the commanding general of the District of Columbia National Guard (if the District of Columbia National Guard is participating in the program) may procure by contract the temporary full time services of such civilian personnel as may be necessary to augment National Guard personnel in carrying out the National Guard Challenge Program in that State.

''(3) Civilian employees of the National Guard performing services for the National Guard Challenge Program and contractor personnel performing such services may be required, when appropriate to achieve the purposes of the program, to be members of the National Guard and to wear the military uniform.

''(h) EQUIPMENT AND FACILITIES.—(1) Equipment and facilities of the National Guard, including military property of the United States issued to the National Guard, may be used in carrying out the National Guard Challenge Program.

''(2) Activities under the National Guard Challenge Program shall be considered noncombat activities of the National Guard for purposes of section 710 of this title.

''(i) STATUS OF PARTICIPANTS.—(1) A person receiving training under the National Guard Challenge Program shall be considered an employee of the United States for the purposes of the following provisions of law:

''(A) Subchapter I of chapter 81 of title 5 (relating to compensation of Federal employees for work injuries).

''(B) Section 1346(b) and chapter 171 of title 28 and any other provision of law relating to the liability of the United States for tortious conduct of employees of the United States.

''(2) In the application of the provisions of law referred to in paragraph (1)(A) to a person referred to in paragraph (1)—

''(A) the person shall not be considered to be in the performance of duty while the person is not at the assigned location of training or other activity or duty authorized in accordance with a program agreement referred to in subsection (c), except when the person is traveling to or from that location or is on pass from that training or other activity or duty;

''(B) the person's monthly rate of pay shall be deemed to be the minimum rate of pay provided for grade GS–2 of the General Schedule under section 5332 of title 5; and

''(C) the entitlement of a person to receive compensation for a disability shall begin on the day following the date on which the person's participation in the National Guard Challenge Program is terminated.

''(3) A person referred to in paragraph (1) may not be considered an employee of the United States for any purpose other than a purpose set forth in that paragraph.

''(j) SUPPLEMENTAL RESOURCES.—To carry out the National Guard Challenge Program in a State, the Governor of the State or, in the case of the District of Columbia, the commanding general of the District of Columbia National

Guard may supplement funds made available under the program out of other resources (including gifts) available to the Governor or the commanding general. The Governor or the commanding general may accept, use, and dispose of gifts or donations of money, other property, or services for the National Guard Challenge Program.

''(k) REPORT.—Within 90 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress a report on the design, conduct, and effectiveness of the National Guard Challenge Program during the preceding fiscal year. In preparing the report, the Secretary shall coordinate with the Governor of each State in which the National Guard Challenge Program is carried out and, if the program is carried out in the District of Columbia, with the commanding general of the District of Columbia National Guard.

''(l) DEFINITIONS.—In this section:

''(1) The term 'State' includes the Commonwealth of Puerto Rico, the territories, and the District of Columbia.

''(2) The term 'school dropout' means an individual who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''509. National Guard Challenge Program of opportunities for civilian youth.''.

SEC. 1077. DISQUALIFICATION FROM CERTAIN BURIAL-RELATED BENEFITS FOR PERSONS CONVICTED OF CAPITAL CRIMES.

(a) IN GENERAL.—(1) Chapter 49 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 985. Persons convicted of capital crimes: denial of certain burial-related benefits

''(a) PROHIBITION OF PERFORMANCE OF MILITARY HONORS.—The Secretary of a military department and the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy, may not provide military honors at the funeral or burial of a person who has been convicted of a capital offense under Federal or State law for which the person was sentenced to death or life imprisonment without parole.

''(b) DISQUALIFICATION FROM BURIAL IN MILITARY CEMETERIES.—A person convicted of a capital offense under Federal law is not entitled to or eligible for, and may not be provided, burial in—

''(1) Arlington National Cemetery;

''(2) the Soldiers' and Airmen's National Cemetery; or

''(3) any other cemetery administered by the Secretary of a military department or the Secretary of Defense.

''(c) DEFINITIONS.—In this section:

''(1) The term 'capital offense' means an offense for which the death penalty may be imposed.

''(2) The term 'burial' includes inurnment.

''(3) The term 'State' includes the District of Columbia and any commonwealth or territory of the United States.''.

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

''985. Persons convicted of capital crimes: denial of certain burial-related benefits.''.

(b) APPLICABILITY.—Section 985 of title 10, United States Code, as added by subsection (a), applies with respect to persons dying after January 1, 1997.

SEC. 1078. RESTRICTIONS ON THE USE OF HUMAN SUBJECTS FOR TESTING OF CHEMICAL OR BIOLOGICAL AGENTS.

(a) PROHIBITED ACTIVITIES.—The Secretary of Defense may not conduct (directly or by contract)—

(1) any test or experiment involving the use of a chemical agent or biological agent on a civilian population; or

(2) any other testing of a chemical agent or biological agent on human subjects.

(b) EXCEPTIONS.—Subject to subsections (c), (d), and (e), the prohibition in subsection (a) does not apply to a test or experiment carried out for any of the following purposes:

(1) Any peaceful purpose that is related to a medical, therapeutic, pharmaceutical, agricultural, industrial, or research activity.

(2) Any purpose that is directly related to protection against toxic chemicals or biological weapons and agents.

(3) Any law enforcement purpose, including any purpose related to riot control.

(c) INFORMED CONSENT REQUIRED.—The Secretary of Defense may conduct a test or experiment described in subsection (b) only if informed consent to the testing was obtained from each human subject in advance of the testing on that subject.

(d) PRIOR NOTICE TO CONGRESS.—Not later than 30 days after the date of final approval within the Department of Defense of plans for any experiment or study to be conducted by the Department of Defense (whether directly or under contract) involving the use of human subjects for the testing of a chemical agent or a biological agent, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth a full accounting of those plans, and the experiment or study may then be conducted only after the end of the 30-day period beginning on the date such report is received by those committees.

(e) BIOLOGICAL AGENT DEFINED.—In this section, the term ''biological agent'' means any micro-organism (including bacteria, viruses, fungi, rickettsiac, or protozoa), pathogen, or infectious substance, and any naturally occurring, bioengineered, or synthesized component of any such micro-organism, pathogen, or infectious substance, whatever its origin or method of production, that is capable of causing—

(1) death, disease, or other biological malfunction in a human, an animal, a plant, or another living organism;

(2) deterioration of food, water, equipment, supplies, or materials of any kind; or

(3) deleterious alteration of the environment.

(f) REPORT AND CERTIFICATION.—Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

''(9) A description of any program involving the testing of biological or chemical agents on human subjects that was carried out by the Department of Defense during the period covered by the report, together with—

''(A) a detailed justification for the testing;

''(B) a detailed explanation of the purposes of the testing;

''(C) a description of each chemical or biological agent tested; and

''(D) the Secretary's certification that informed consent to the testing was obtained from each human subject in advance of the testing on that subject.''.

(g) REPEAL OF SUPERSEDED PROVISION OF LAW.—Section 808 of the Department of Defense Appropriation Authorization Act, 1978 (50 U.S.C. 1520), is repealed.

SEC. 1079. TREATMENT OF MILITARY FLIGHT OPERATIONS.

No military flight operation (including a military training flight), or designation of airspace for such an operation, may be treated as a transportation program or project for purposes of section 303(c) of title 49, United States Code.

SEC. 1080. NATURALIZATION OF CERTAIN FOREIGN NATIONALS WHO SERVE HONORABLY IN THE ARMED FORCES DURING A PERIOD OF CONFLICT.

(a) IN GENERAL.—Section 329(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1440(a)(1)) is amended—

(1) by inserting '', reenlistment, extension of enlistment,'' after ''at the time of enlistment''; and

(2) by inserting ''or on board a public vessel owned or operated by the United States for noncommercial service,'' after ''United States, the Canal Zone, American Samoa, or Swains Island,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to enlistments, reenlistments, extensions of enlistment, and inductions of persons occurring on or after the date of the enactment of this Act.

SEC. 1081. APPLICABILITY OF CERTAIN PAY AUTHORITIES TO MEMBERS OF SPECIFIED INDEPENDENT STUDY ORGANIZATIONS.

(a) APPLICABILITY OF CERTAIN PAY AUTHORITIES.—(1) An individual who is a member of a commission or panel specified in subsection (b) and is an annuitant otherwise covered by section 8344 or 8468 of title 5, United States Code, by reason of membership on the commission or panel is not subject to the provisions of that section with respect to such membership.

(2) An individual who is a member of a commission or panel specified in subsection (b) and is a member or former member of a uniformed service is not subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the commission or panel.

(b) SPECIFIED ENTITIES.—Subsection (a) applies—

(1) effective as of September 23, 1996, to members of the National Defense Panel established by section 924 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2626); and

(2) effective as of October 9, 1996, to members of the Commission on Servicemembers and Veterans Transition Assistance established by section 701 of the Veterans' Benefits Improvements Act of 1996 (Public Law 104–275; 110 Stat. 3346; 38 U.S.C. 545 note).

SEC. 1082. DISPLAY OF POW/MIA FLAG.

(a) REQUIRED DISPLAY.—The POW/MIA flag shall be displayed at the locations specified in subsection (c) on POW/MIA flag display days. Such display shall serve (1) as the symbol of the Nation's concern and commitment to achieving the fullest possible accounting of Americans who, having been prisoners of war or missing in action, still remain unaccounted for, and (2) as the symbol of the Nation's commitment to achieving the fullest possible accounting for Americans who in the future may become prisoners of war, missing in action, or otherwise unaccounted for as a result of hostile action.

(b) DAYS FOR FLAG DISPLAY.—(1) For purposes of this section, POW/MIA flag display days are the following:

(A) Armed Forces Day, the third Saturday in May.

(B) Memorial Day, the last Monday in May.

(C) Flag Day, June 14.

(D) Independence Day, July 4.

(E) National POW/MIA Recognition Day.

(F) Veterans Day, November 11.

(2) In addition to the days specified in paragraph (1), POW/MIA flag display days include—

(A) in the case of display at medical centers of the Department of Veterans Affairs (required by subsection (c)(7)), any day on which the flag of the United States is displayed; and

(B) in the case of display at United States Postal Service post offices (required by subsection (c)(8)), the last business day before a day specified in paragraph (1) that in any year is not itself a business day.

(c) LOCATIONS FOR FLAG DISPLAY.—The locations for the display of the POW/MIA flag under subsection (a) are the following:

(1) The Capitol.

(2) The White House.

(3) The Korean War Veterans Memorial and the Vietnam Veterans Memorial.

(4) Each national cemetery.

(5) The buildings containing the official office of—

(A) the Secretary of State;

(B) the Secretary of Defense;

(C) the Secretary of Veterans Affairs; and

(D) the Director of the Selective Service System.

(6) Each major military installation, as designated by the Secretary of Defense.

(7) Each medical center of the Department of Veterans Affairs.

(8) Each United States Postal Service post office.

(d) COORDINATION WITH OTHER DISPLAY REQUIREMENT.—Display of the POW/MIA flag at the Capitol pursuant to paragraph (1) of subsection (c) is in addition to the display of that flag in the Rotunda of the Capitol pursuant to Senate Concurrent Resolution 5 of the 101st Congress, agreed to on February 22, 1989 (103 Stat. 2533).

(e) DISPLAY TO BE IN A MANNER VISIBLE TO THE PUBLIC.—Display of the POW/MIA flag pursuant to this section shall be in a manner designed to ensure visibility to the public.

(f) LIMITATION.—This section may not be construed or applied so as to require any employee to report to work solely for the purpose of providing for the display of the POW/MIA flag.

(g) POW/MIA FLAG DEFINED.—As used in this section, the term ''POW/MIA flag'' means the National League of Families POW/MIA flag recognized officially and designated by section 2 of Public Law 101–355 (36 U.S.C. 189).

(h) REGULATIONS FOR IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the head of each department, agency, or other establishment responsible for a location specified in subsection (c) (other than the Capitol) shall prescribe such regulations as necessary to carry out this section.

(i) PROCUREMENT AND DISTRIBUTION OF FLAGS.—Not later than 30 days after the date of the enactment of this Act, the Administrator of General Services shall procure POW/MIA flags and distribute them as necessary to carry out this section.

(j) REPEAL OF SUPERSEDED LAW.—Section 1084 of Public Law 102–190 (36 U.S.C. 189 note) is repealed.

SEC. 1083. PROGRAM TO COMMEMORATE 50TH ANNIVERSARY OF THE KOREAN CONFLICT.

(a) COMMEMORATIVE PROGRAM.—The Secretary of Defense may conduct a program to commemorate the 50th anniversary of the Korean conflict. In conducting the commemorative program, the Secretary may coordinate, support, and facilitate other programs and activities of the Federal Government, State and local governments, and other persons in commemoration of the Korean conflict.

(b) COMMEMORATIVE ACTIVITIES.—The commemorative program may include activities and ceremonies—

(1) to provide the people of the United States with a clear understanding and appreciation of the lessons and history of the Korean conflict;

(2) to thank and honor veterans of the Korean conflict and their families;

(3) to pay tribute to the sacrifices and contributions made on the home front by the people of the United States during the Korean conflict;

(4) to highlight advances in technology, science, and medicine related to military research conducted during the Korean conflict;

(5) to recognize the contributions and sacrifices made by the allies of the United States in the Korean conflict; and

(6) to highlight the role of the Armed Forces of the United States, then and now, in maintaining world peace through strength.

(c) NAMES AND SYMBOLS.—The Secretary of Defense shall have the sole and exclusive right to use the names ''The Department of Defense Korean Conflict Commemoration'', and such seal, emblems, and badges incorporating such name as the Secretary may lawfully adopt. Nothing in this section may be construed to supersede rights that are established or vested before the date of the enactment of this Act.

(d) COMMEMORATIVE ACCOUNT.—(1) There is established in the Treasury an account to be known as the ''Department of Defense Korean Conflict Commemoration Account'', which shall be administered by the Secretary of Defense. There shall be deposited into the account all proceeds derived from the Secretary's use of the exclusive rights described in subsection (c). The Secretary may use funds in the account only for the purpose of conducting the commemorative program.

(2) Not later than 60 days after completion of all activities and ceremonies conducted as part of the commemorative program, the Secretary shall submit to Congress a report containing an accounting of all of the funds deposited into and expended from the account or otherwise expended under this section, and of any funds remaining in the account. Unobligated funds remaining in the account on that date shall be held in the account until transferred by law.

(e) ACCEPTANCE OF VOLUNTARY SERVICES.—(1) Notwithstanding section 1342 of title 31, United States Code, the Secretary of Defense may accept from any person voluntary services to be provided in furtherance of the commemorative program.

(2) A person providing voluntary services under this subsection shall be considered to be a Federal employee for purposes of chapter 81 of title 5, United States Code, relating to compensation for work-related injuries. The person shall also be considered a special governmental employee for purposes of standards of conduct and sections 202, 203, 205, 207, 208, and 209 of title 18, United States Code. A person who is not otherwise employed by the Federal Government shall not be considered to be a Federal employee for any other purpose by reason of the provision of voluntary services under this subsection.

(3) The Secretary may provide for reimbursement of incidental expenses incurred by a person providing voluntary services under this subsection. The Secretary shall determine which expenses are eligible for reimbursement under this paragraph.

(f) LIMITATION ON EXPENDITURES.—Total expenditures to carry out the commemorative program may not exceed $100,000.

SEC. 1084. COMMENDATION OF MEMBERS OF THE ARMED FORCES AND GOVERNMENT CIVILIAN PERSONNEL WHO SERVED DURING THE COLD WAR; CERTIFICATE OF RECOGNITION.

(a) FINDINGS.—The Congress finds the following:

(1) During the period of the Cold War, from the end of World War II until the collapse of the Soviet Union in 1991, the United States and the Soviet Union engaged in a global military rivalry.

(2) This rivalry, potentially the most dangerous military confrontation in the history of mankind, has come to a close without a direct superpower military conflict.

(3) Military and civilian personnel of the Department of Defense, personnel in the intelligence community, members of the foreign service, and other officers and employees of the United States faithfully performed their duties during the Cold War.

(4) Many such personnel performed their duties while isolated from family and friends and served overseas under frequently arduous conditions in order to protect the United States and achieve a lasting peace.

(5) The discipline and dedication of those personnel were fundamental to the prevention of a superpower military conflict.

(b) CONGRESSIONAL COMMENDATION.—The Congress hereby commends the members of the Armed Forces and civilian personnel of the Government who contributed to the historic victory in the Cold War and expresses its gratitude and appreciation for their service and sacrifices of .

(c) CERTIFICATES OF RECOGNITION.—The Secretary of Defense shall prepare a certificate recognizing the Cold War service of qualifying members of the Armed Forces and civilian personnel of the Department of Defense and other Government agencies contributing to national security, as determined by the Secretary, and shall provide the certificate to such members and civilian personnel upon request.

SEC. 1085. SENSE OF CONGRESS ON GRANTING OF STATUTORY FEDERAL CHARTERS.

(a) FINDINGS.—Congress finds that the practice of providing by statute Federal charters to certain nonprofit organizations—

(1) may be perceived as implying a Government imprimatur of approval of those organizations; and

(2) may mistakenly lead to public perception that the United States ensures the integrity and worthiness of those organizations.

(b) SENSE OF CONGRESS.—It is the sense of Congress—

(1) that because of the perceived implicit Government imprimatur of approval conveyed by enactment of a Federal charter for an organization, such a charter should be granted only in the rarest and most extraordinary cases; and

(2) that no statutory Federal charter should be enacted after the enactment of this Act unless the charter is approved by Congress upon favorable report by the committees of jurisdiction of the respective Houses.

SEC. 1086. SENSE OF CONGRESS REGARDING MILITARY VOTING RIGHTS.

(a) FINDINGS.—Congress finds that—

(1) members of the Armed Forces have a fundamental right to vote in Federal, State, and local elections; and

(2) an extended absense of a member of the Armed Forces from the place of the member's residency or domicile due to military or naval orders is not of itself grounds to consider the member's residency or domicile as lost or changed.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense, in consultation with the Attorney General, should review how best to protect the right of members of the Armed Forces to vote in Federal, State, and local elections while taking into account the right of States to prescribe requirements for voter registration. Such a review should include an assessment of challenges to military voting rights and consideration of possible legislative remedies to ensure that, for purposes of voting in Federal, State, and local elections, a member of the Armed Forces who is absent from a State in compliance with military or naval orders is not, solely by reason of that absence, considered to have lost or changed residency or domicile.

SEC. 1087. DESIGNATION OF BOB HOPE AS AN HONORARY VETERAN OF THE ARMED FORCES OF THE UNITED STATES.

(a) FINDINGS.—Congress makes the following findings:

(1) In its more than 200 years of existence as a nation, the United States has never conferred on any person the status of being an honorary veteran of the Armed Forces of the United States.

(2) Status as an honorary veteran of the Armed Forces of the United States is and should remain an extraordinary honor not lightly conferred nor frequently granted.

(3) The lifetime of accomplishments and service of Leslie Townes (Bob) Hope on behalf of members of the Armed Forces of the United States fully justifies the conferring of that status.

(4) Bob Hope attempted to enlist in the Armed Forces to serve his country during World War II but was informed that the greatest service he could provide his country was as a civilian entertainer for the troops.

(5) During World War II, the Korean Conflict, the Vietnam War, the Persian Gulf War, and the Cold War, Bob Hope travelled to visit and entertain millions of members of the Armed Forces in numerous countries, on ships at sea, and in combat zones ashore.

(6) 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 other citations and awards from national veterans service organizations and civic and humanitarian organizations.

(7) Bob Hope has given unselfishly of himself for over half a century to be with American service members on foreign shores, working tirelessly to bring a spirit of humor and cheer to millions of service members during their loneliest moments, and has, thereby, extended to them for the American people a touch of home away from home.

(b) DESIGNATION OF BOB HOPE AS HONORARY VETERAN.—Congress—

(1) extends its gratitude, on behalf of the American people, to Leslie Townes (Bob) Hope, of the State of California, for his lifetime of accomplishments and service on behalf of members of the Armed Forces of the United States; and

(2) hereby confers upon him the status of being an honorary veteran of the Armed Forces of the United States.

SEC. 1088. FIVE-YEAR EXTENSION OF AVIATION INSURANCE PROGRAM.

(a) EXTENSION.—Section 44310 of title 49, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 2002''.

(b) EFFECTIVE DATE.—This section shall take effect as of September 30, 1997.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Sec. 1101. Use of prohibited constraints to manage Department of Defense personnel.
Sec. 1102. Veterans' preference status for certain veterans who served on active duty during the Persian Gulf War.
Sec. 1103. Repeal of deadline for placement consideration of involuntarily separated military reserve technicians.
Sec. 1104. Rate of pay of Department of Defense overseas teachers upon transfer to General Schedule position.
Sec. 1105. Garnishment and involuntary allotment.
Sec. 1106. Extension and revision of voluntary separation incentive pay authority.
Sec. 1107. Use of approved fire-safe accommodations by Government employees on official business.
Sec. 1108. Navy higher education pilot program regarding administration of business relationships between Government and private sector.
Sec. 1109. Authority for Marine Corps University to employ civilian faculty members.

SEC. 1101. USE OF PROHIBITED CONSTRAINTS TO MANAGE DEPARTMENT OF DEFENSE PERSONNEL.

Section 129 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f)(1) Not later than February 1 of each year, the Secretary of each military department and the head of each Defense Agency shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the management of the civilian workforce under the jurisdiction of that official.

''(2) Each report of an official under paragraph (1) shall contain the following:

''(A) The official's certification (i) that the civilian workforce under the jurisdiction of the official is not subject to any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees, and (ii) that, during the 12 months preceding the date on which the report is due, such workforce has not been subject to any such constraint or limitation.

''(B) A description of how the civilian workforce is managed.

''(C) A detailed description of the analytical tools used to determine civilian workforce requirements during the 12-month period referred to in subparagraph (A).''.

SEC. 1102. VETERANS' PREFERENCE STATUS FOR CERTAIN VETERANS WHO SERVED ON ACTIVE DUTY DURING THE PERSIAN GULF WAR.

(a) DEFINITION OF VETERAN FOR PURPOSES OF PREFERENCE ELIGIBLE STATUS.—Section 2108 of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''or'' at the end of subparagraph (A);

(B) by inserting ''or'' at the end of subparagraph (B); and

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) served on active duty as defined by section 101(21) of title 38 in the armed forces during the period beginning on August 2, 1990, and ending on January 2, 1992;''; and

(2) in paragraph (3)(B), by inserting ''or (C)'' after ''paragraph (1)(B)''.

(b) ADDITIONAL POINTS.—Section 3309(2) of such title is amended by striking ''2108(3)(A)'' and inserting ''2108(3)(A)–(B)''.

(c) TECHNICAL AMENDMENTS.—Section 2108(1)(B) of such title is further amended—

(1) by striking ''the date of enactment of the Veterans' Education and Employment Assistance Act of 1976,'' and inserting ''October 15, 1976,''; and

(2) by striking ''511(d) of title 10'' and inserting ''12103(d) of title 10''.

SEC. 1103. REPEAL OF DEADLINE FOR PLACEMENT CONSIDERATION OF INVOLUNTARILY SEPARATED MILITARY RESERVE TECHNICIANS.

(a) REPEAL OF DEADLINE.—Section 3329(b) of title 5, United States Code, is amended by striking out ''not later than 6 months after the date of the application''.

(b) TECHNICAL CORRECTION.—Such section is further amended by striking out ''a position described in subsection (c)'' the second place it appears.

SEC. 1104. RATE OF PAY OF DEPARTMENT OF DEFENSE OVERSEAS TEACHERS UPON TRANSFER TO GENERAL SCHEDULE POSITION.

(a) PREVENTION OF EXCESSIVE INCREASES.—Section 5334(d) of title 5, United States Code, is amended by striking out ''20 percent'' and all that follows and inserting in lieu thereof ''an amount determined under regulations which the Secretary of Defense shall prescribe for the determination of the yearly rate of pay of the position. The amount by which a rate of pay is increased under the regulations may not exceed the amount equal to 20 percent of that rate of pay.''.

(b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1) The amendment made by subsection (a) shall take effect 180 days after the date of the enactment of this Act.

(2) In the case of a person who is employed in a teaching position referred to in section 5334(d) of title 5, United States Code, on the day before the effective date under paragraph (1), the rate of pay of that person determined under that section (as in effect on that day) may not be reduced by reason of the amendment made by subsection (a) for so long as the person continues to serve in that position or another such position without a break in service of more than three days on or after that day.

SEC. 1105. GARNISHMENT AND INVOLUNTARY ALLOTMENT.

Section 5520a of title 5, United States Code, is amended—

(1) in subsection (j), by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) Such regulations shall provide that an agency's administrative costs in executing a garnishment action may be added to the garnishment, and that the agency may retain costs recovered as offsetting collections.'';

(2) in subsection (k)—

(A) by striking out paragraph (3); and

(B) by redesignating paragraph (4) as paragraph (3); and

(3) by striking out subsection (l).

SEC. 1106. EXTENSION AND REVISION OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY.

(a) REMITTANCE TO CSRS FUND.—Section 5597 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(h)(1)(A) In addition to any other payment that it is required to make under subchapter III of chapter 83 or chapter 84, the Department of Defense shall remit to the Office of Personnel Management an amount equal to 15 percent of the final basic pay of each covered employee.

''(B) If the employee is one with respect to whom a remittance would otherwise be required under section 4(a) of the Federal Workforce Restructuring Act of 1994 based on the separation involved, the remittance under this subsection shall be instead of the remittance otherwise required under such section 4(a).

''(2) Amounts remitted under paragraph (1) shall be deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund.

''(3) For the purposes of this subsection—

''(A) the term 'covered employee' means an employee who is subject to subchapter III of chapter 83 or chapter 84 and to whom a voluntary separation incentive has been paid under this section on the basis of a separation occurring on or after October 1, 1997; and

''(B) the term 'final basic pay' has the meaning given such term in section 4(a)(2) of the Federal Workforce Restructuring Act of 1994.''.

(b) EXTENSION OF AUTHORITY.—(1) Subsection (e) of section 5597 of title 5, United States Code, is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2001''.

(2) Section 4436(d)(2) of the Defense Conversion, Reinvestment, and Transition Assistance Act of 1992 (5 U.S.C. 8348 note) is amended by striking out ''January 1, 2000'' and inserting in lieu thereof ''January 1, 2002''.

SEC. 1107. USE OF APPROVED FIRE-SAFE ACCOMMODATIONS BY GOVERNMENT EMPLOYEES ON OFFICIAL BUSINESS.

(a) PERCENTAGE USE REQUIREMENT.—Section 5707a of title 5, United States Code, is amended—

(1) by redesignating subsections (a) through (d) as subsections (b) through (e), respectively; and

(2) by inserting after the section heading the following new subsection:

''(a)(1) For the purpose of making payments under this chapter for lodging expenses incurred in a State, each agency shall ensure that not less than 90 percent of the commercial-lodging room nights for employees of that agency for a fiscal year are booked in approved places of public accommodation.

''(2) Each agency shall establish explicit procedures to satisfy the percentage requirement of paragraph (1).

''(3) An agency shall be considered to be in compliance with the percentage requirement of paragraph (1) until September 30, 2002, and after that date if travel arrangements of the agency, whether made for civilian employees, members of the uniformed services, or foreign service personnel, are made through travel management processes designed to book commercial lodging in approved places of public accommodation, whenever available.''.

(b) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

''(f) For purposes of this section:

''(1) The term 'agency' does not include the government of the District of Columbia.

''(2) The term 'approved places of public accommodation' means hotels, motels, and other places of public accommodation that are listed by the Director of the Federal Emergency Management Agency as meeting the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2225).

''(3) The term 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.''.

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (b), as redesignated by subsection (a)(1)—

(A) by striking out ''places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974'' and inserting in lieu thereof ''approved places of public accommodation''; and

(B) by striking out ''as defined in section 4 of the Federal Fire Prevention and Control Act of 1974'';

(2) in subsection (c), as redesignated by subsection (a)(1), by striking out ''does not meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974'' and inserting in lieu thereof ''is not an approved place of public accommodation''; and

(3) in subsection (e), as redesignated by subsection (a)(1)—

(A) by striking out ''encourage'' and inserting in lieu thereof ''facilitate the ability of''; and

(B) by striking out ''places of public accommodation that meet the requirements of the fire prevention and control guidelines described in section 29 of the Federal Fire Prevention and Control Act of 1974'' and inserting in lieu thereof ''approved places of public accommodation''.

(d) REPORT BY FEDERAL EMERGENCY MANAGEMENT AGENCY.—Not later than six months after the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall submit to Congress a report describing the procedures to be used to ensure that all approved places of public accommodation (within the meaning of section 5707a(f)(2) of title 5, United States Code, as added by subsection (b)) appear on the national master list maintained by the Director under section 28(b) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2224(b)) of all of the places of public accommodation affecting commerce located in each State that meet the requirements of the fire prevention and control guidelines described in section 29 of such Act (15 U.S.C. 2225).

(e) REPORT ON IMPLEMENTATION.—Not later than one year after the date of the enactment of this Act, the Administrator of General Services shall submit to Congress a report describing the measures that have been taken and will be taken by Federal agencies to comply with the requirement that not less than 90 percent of the commercial-lodging room nights for employees of each Federal agency for a fiscal year are booked in approved places of public accommodation, as specified in section 5707a(a) of title 5, United States Code, as added by subsection (a). Measures to satisfy such requirement may include the use of contract travel agents, automated booking systems, and data developed from travel payment systems. The Administrator shall prepare the report in consultation with the heads of the Federal agencies subject to such requirement.

SEC. 1108. NAVY HIGHER EDUCATION PILOT PROGRAM REGARDING ADMINISTRATION OF BUSINESS RELATIONSHIPS BETWEEN GOVERNMENT AND PRIVATE SECTOR.

(a) PILOT PROJECT AUTHORIZED.—During fiscal years 1998 through 2002, the Secretary of the Navy may establish and conduct a pilot program of graduate-level higher education regarding the administration of business relationships between the Government and the private sector.

(b) PURPOSE.—The purpose of the pilot program is to make available to employees of the Naval Undersea Warfare Center, employees of the Naval Sea Systems Command, and employees of the Acquisition Center for Excellence of the Navy (upon establishment of such Acquisition Center), a curriculum of graduate-level higher education leading to the award of a graduate degree designed to prepare participants effectively to meet the challenges of administering Government contracting and other business relationships between the United States and private sector businesses in the context of constantly changing or newly emerging industries, technologies, governmental organizations, policies, and procedures (including governmental organizations, policies, and procedures recommended in the National Performance Review).

(c) PARTNERSHIP WITH INSTITUTION OF HIGHER EDUCATION.—(1) The Secretary of the Navy may enter into an agreement with an institution of higher education to assist the Naval Undersea Warfare Center with the development of the curriculum for the pilot program, to offer courses and provide instruction and materials to participants to the extent provided for in the agreement, to provide such other assistance in support of the program as may be provided for in the agreement, and to award a graduate degree under the program.

(2) To be eligible to enter into an agreement under paragraph (1), an institution of higher education must have an established program of graduate-level education that is relevant to the purpose of the pilot program.

(d) CURRICULUM.—The curriculum offered under the pilot program shall—

(1) be designed specifically to achieve the purpose of the pilot program; and

(2) include courses that are—

(A) typically offered under curricula leading to award of the degree of Masters of Business Administration by institutions of higher education; and

(B) necessary for meeting educational qualification requirements for certification as an acquisition program manager.

(e) DISTANCE LEARNING OPTION.—The Secretary of the Navy may include as part of the pilot program policies and procedures for offering distance learning instruction by means of telecommunications, correspondence, or other methods for off-site receipt of instruction.

(f) REPORT.—Not later than 90 days after the termination of the pilot program, the Secretary of the Navy shall submit to Congress a report containing—

(1) an assessment by the Secretary of the value of the program for meeting the purpose of the program and the desirability of permanently establishing a similar program for other employees of the Department of Defense; and

(2) such other information and recommendations regarding the program as the Secretary considers appropriate.

(g) LIMITATION ON FUNDING SOURCE.—Any funds required for the pilot program for a fiscal year shall be derived only from the appropriation ''Operation and Maintenance, Navy'' for that fiscal year.

SEC. 1109. AUTHORITY FOR MARINE CORPS UNIVERSITY TO EMPLOY CIVILIAN FACULTY MEMBERS.

(a) EXPANDED AUTHORITY.—Subsections (a) and (c) of section 7478 of title 10, United States Code, are amended by striking out ''at the Marine Corps Command and Staff College'' and inserting in lieu thereof ''of the Marine Corps University''.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 7478. Naval War College and Marine Corps University: civilian faculty members''.

(2) The item relating to such section in the table of sections at the beginning of chapter 643 of such title is amended to read as follows:

''7478. Naval War College and Marine Corps University: civilian faculty members.''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

Sec. 1201. Findings.
Sec. 1202. Sense of Congress.
Sec. 1203. Withdrawal of United States ground forces from Republic of Bosnia and Herzegovina.
Sec. 1204. Secretary of Defense reports on tasks carried out by United States forces.
Sec. 1205. Presidential report on situation in Republic of Bosnia and Herzegovina.
Sec. 1206. Definitions.

Subtitle B—Export Controls on High Performance Computers

Sec. 1211. Export approvals for high performance computers.
Sec. 1212. Report on exports of high performance computers.
Sec. 1213. Post-shipment verification of export of high performance computers.
Sec. 1214. GAO study on certain computers; end user information assistance.
Sec. 1215. Congressional committees.

Subtitle C—Other Matters

Sec. 1221. Defense burdensharing.
Sec. 1222. Temporary use of general purpose vehicles and nonlethal military equipment under acquisition and cross servicing agreements.
Sec. 1223. Sense of Congress and reports regarding financial costs of enlargement of the North Atlantic Treaty Organization.
Sec. 1224. Sense of Congress regarding enlargement of the North Atlantic Treaty Organization.
Sec. 1225. Sense of the Congress relating to level of United States military personnel in the East Asia and Pacific region.
Sec. 1226. Report on future military capabilities and strategy of the People's Republic of China.
Sec. 1227. Sense of Congress on need for Russian openness on the Yamantau Mountain project.
Sec. 1228. Assessment of the Cuban threat to United States national security.
Sec. 1229. Report on Helsinki Joint statement.
Sec. 1230. Commendation of Mexico on free and fair elections.
Sec. 1231. Sense of Congress regarding Cambodia.
Sec. 1232. Congratulating Governor Christopher Patten of Hong Kong.

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

SEC. 1201. FINDINGS.

The Congress finds the following:

(1) United States Armed Forces were deployed to the Republic of Bosnia and Herzegovina as part of the North Atlantic Treaty Organization (NATO) Implementation Force (IFOR) to implement the military aspects of the Dayton Peace Agreement.

(2) The military aspects of the Dayton Peace Agreement have been successfully implemented to date with the military forces of the warring

factions successfully separated and a cessation in the hostilities that resulted in the deaths of hundreds of thousands of Bosnians.

(3) Implementation of the civil aspects of the Dayton Peace Agreement has lagged far behind the schedule for such implementation envisioned in the Agreement with the result that United States Armed Forces have undertaken a prolonged engagement in the Republic of Bosnia and Herzegovina.

(4) On December 13, 1995, the President stated in a letter to Congress, ''NATO and U.S. military commanders believe, and I expect, that the military mission can be accomplished in about a year. Twelve months will allow IFOR time to complete the military tasks assigned in the Dayton agreement and to establish a secure environment, in which political and economic reconstruction efforts by the parties and international civilian agencies can take hold. Within one year, we expect that the military provisions of the Dayton agreement will have been carried out, implementation of the civilian aspects and economic reconstruction will have been firmly launched, free elections will have been held under international supervision and a stable military balance will have been established.''

(5) Notwithstanding a number of assurances relating to the accomplishment of the military mission in the Republic of Bosnia and Herzegovina by December 1996, the President, on November 15, 1996, announced his decision to extend the presence of United States forces in the Republic of Bosnia and Herzegovina to participate in the NATO Stabilization Force (SFOR) until June 1998.

(6) Despite initial projections by the Department of Defense that the costs of United States operations in the Republic of Bosnia and Herzegovina would total $1,500,000,000, the projected cost of United States operations in the Republic of Bosnia and Herzegovina through June 1998 is estimated to exceed $7,000,000,000.

(7) The fiscal year 1998 estimate of the Department of Defense for operations in the Republic of Bosnia and Herzegovina assumes that the level of military forces participating in SFOR will be reduced soon after the start of the fiscal year.

(8) The President and the Secretary of Defense have stated that United States forces are to be withdrawn from the Republic of Bosnia and Herzegovina by the end of June 1998.

SEC. 1202. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) United States ground combat forces should not participate in a follow-on force in the Republic of Bosnia and Herzegovina after June 1998;

(2) the European Security and Defense Identity, which, as facilitated by the Combined Joint Task Forces concept, enables the Western European Union, with the consent of the North Atlantic Alliance, to assume political control and strategic direction of NATO assets made available for the Alliance, may be an ideal instrument for a follow-on force for the Republic of Bosnia and Herzegovina;

(3) a NATO-led force without the participation of United States ground combat forces in the Republic of Bosnia and Herzegovina may be suitable for a follow-on force for the Republic of Bosnia and Herzegovina if the European Security and Defense Identity is not sufficiently developed or is otherwise considered inappropriate for such a mission;

(4) the United States may decide to provide appropriate support to a Western European Union-led or NATO-led follow-on force, including command and control, intelligence, logistics, and, if necessary, a ready reserve force in the region;

(5) the President should inform our European NATO allies of this expression of the sense of Congress and should urge them strongly to undertake preparations for a Western European Union-led or NATO-led force as a follow-on force to the NATO-led SFOR if needed to maintain peace and stability in the Republic of Bosnia and Herzegovina; and

(6) the President should consult with the Congress with respect to any support to be provided to a Western European Union-led or NATO-led follow-on force in the Republic of Bosnia and Herzegovina after June 30, 1998.

SEC. 1203. WITHDRAWAL OF UNITED STATES GROUND FORCES FROM REPUBLIC OF BOSNIA AND HERZEGOVINA .

(a) LIMITATION.—No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1998 or any subsequent fiscal year may be used for the deployment of any United States ground combat forces in the Republic of Bosnia and Herzegovina after June 30, 1998, unless the President, not later than May 15, 1998, and after consultation with the bipartisan leadership of the two Houses of Congress, transmits to Congress a certification—

(1) that the continued presence of United States ground combat forces, after June 30, 1998, in the Republic of Bosnia and Herzegovina is required in order to meet the national security interests of the United States; and

(2) that after June 30, 1998, it will remain United States policy that United States ground forces will not serve as, or be used as, civil police in the Republic of Bosnia and Herzegovina.

(b) REPORT.—The President shall submit with the certification under subsection (a) a report that includes the following:

(1) The reasons why that presence is in the national security interest of the United States.

(2) The number of United States military personnel to be deployed in and around the Republic of Bosnia and Herzegovina and other areas of the former Yugoslavia after that date.

(3) The expected duration of any such deployment.

(4) The mission and objectives of the United States Armed Forces to be deployed in and around the Republic of Bosnia and Herzegovina and other areas of the former Yugoslavia after June 30, 1998.

(5) The exit strategy of such forces.

(6) The incremental costs associated with any such deployment.

(7) The effect of such deployment on the morale, retention, and effectiveness of United States armed forces.

(8) A description of the forces from other nations involved in a follow-on mission, shown on a nation-by-nation basis.

(9) A description of the command and control arrangement established for United States forces involved in a follow-on mission.

(10) An assessment of the expected threats to United States forces involved in a follow-on mission.

(11) The plan for rotating units and personnel to and from the Republic of Bosnia and Herzegovina during a follow-on mission, including the level of participation by reserve component units and personnel.

(12) The mission statement and operational goals of the United States forces involved in a follow-on mission.

(c) REQUEST FOR SUPPLEMENTAL APPROPRIATIONS.—The President shall transmit to Congress with a certification under subsection (a) a supplemental appropriations request for the Department of Defense for such amounts as are necessary for the costs of any continued deployment beyond June 30, 1998.

(d) CONSTRUCTION WITH PRESIDENT'S CONSTITUTIONAL AUTHORITY.—Nothing in this section shall be deemed to restrict the authority of the President under the Constitution to protect the lives of United States citizens.

(e) CONSTRUCTION WITH APPROPRIATIONS PROVISION.—The provisions of this section are enacted, and shall be applied, as supplemental to (and not in lieu of) the provisions of section 8132 of the Department of Defense Appropriations Act, 1998 (Public Law 105–56).

SEC. 1204. SECRETARY OF DEFENSE REPORTS ON TASKS CARRIED OUT BY UNITED STATES FORCES.

(a) REQUIREMENT FOR TWO REPORTS.—The Secretary of Defense shall submit to the congressional defense committees—

(1) not later than December 15, 1997, a report identifying each activity being carried out, as of December 1, 1997, by covered United States forces in the Republic of Bosnia and Herzegovina; and

(2) not later than April 15, 1998, a report identifying each activity being carried out, as of April 1, 1998, by covered United States forces in the Republic of Bosnia and Herzegovina.

(b) COVERED UNITED STATES FORCES.—For purposes of this section, covered United States forces in the Republic of Bosnia and Herzegovina are United States ground forces in the Republic of Bosnia and Herzegovina that are assigned to the multinational peacekeeping force known as the Stabilization Force (SFOR) or any other multinational peacekeeping force that is the successor to the SFOR.

(c) MATTERS TO BE INCLUDED.—The Secretary shall include in each report under subsection (a), for each activity identified under that subsection, the following:

(1) The number of United States military personnel involved in the performance of that activity.

(2) Whether forces assigned to the SFOR (or successor multinational peacekeeping force) from other nations also participated in that activity.

(3) The justification for using military forces rather than civilian organizations to perform that activity.

(4) In the case of activities that (as determined by the Secretary) are considered to be supporting tasks, as that term is used in paragraph 3 of Article VI of Annex 1-A to the General Framework Agreement for Peace in Bosnia and Herzegovina, the justification for using military forces.

(5) The likelihood that each such activity will have to be carried out by United States military forces after June 30, 1998.

SEC. 1205. PRESIDENTIAL REPORT ON SITUATION IN REPUBLIC OF BOSNIA AND HERZEGOVINA.

(a) REQUIREMENT.—Not later than February 1, 1998, the President shall submit to Congress a report on the political and military conditions in the Republic of Bosnia and Herzegovina. The report shall be submitted in both classified and unclassified form.

(b) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include a discussion of the following:

(1) An assessment of the progress made in implementing the civil, economic, and political aspects of the Dayton Peace Agreement.

(2) An identification of the specific steps taken to transfer the United States portion of the peacekeeping mission in the Republic of Bosnia and Herzegovina to forces of the member-states of the Western European Union or to a NATO-led force without the participation of United States ground combat forces in the Republic of Bosnia and Herzegovina.

(3) A detailed discussion of the proposed role and involvement of the United States in supporting peacekeeping activities in the Republic of Bosnia and Herzegovina following the withdrawal of United States ground combat forces from the Republic of Bosnia and Herzegovina.

(4) A detailed explanation and timetable for carrying out the commitment to withdraw all United States ground forces from the Republic of Bosnia and Herzegovina by June 30, 1998, including the planned date of commencement and completion of the withdrawal.

(5) The military and political considerations that will affect the decision to carry out such a transition.

(6) Any plan to maintain or expand other Bosnia-related operations (such as the operations designated as Operation Deliberate

Guard) if tensions in the Republic of Bosnia and Herzegovina remain sufficient to delay reductions of United States military forces participating in the Stabilization Force and the estimated cost associated with each such operation.

SEC. 1206. DEFINITIONS.

As used in this subtitle:

(1) DAYTON PEACE AGREEMENT.—The term ''Dayton Peace Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, initialed by the parties in Dayton, Ohio, on November 21, 1995, and signed in Paris on December 14, 1995.

(2) IMPLEMENTATION FORCE.—The term ''Implementation Force'' means the NATO-led multinational military force in the Republic of Bosnia and Herzegovina (commonly referred to as ''IFOR''), authorized under the Dayton Peace Agreement.

(3) STABILIZATION FORCE.—The term ''Stabilization Force'' means the NATO-led follow-on force to the Implementation Force in the Republic of Bosnia and Herzegovina and other countries in the region (commonly referred to as ''SFOR''), authorized under United Nations Security Council Resolution 1088 (December 12, 1996).

(4) FOLLOW-ON MISSION.—The term ''follow-on mission'' means a mission involving the deployment of ground elements of the United States Armed Forces in the Republic of Bosnia and Herzegovina after June 30, 1998 (other than as described in section 1203(b)).

(5) NATO.—The term ''NATO'' means the North Atlantic Treaty Organization.

Subtitle B—Export Controls on High Performance Computers

SEC. 1211. EXPORT APPROVALS FOR HIGH PERFORMANCE COMPUTERS.

(a) PRIOR APPROVAL OF EXPORTS AND REEXPORTS.—The President shall require that no digital computer with a composite theoretical performance level of more than 2,000 millions of theoretical operations per second (MTOPS) or with such other composite theoretical performance level as may be established subsequently by the President under subsection (d), may be exported or reexported without a license to a country specified in subsection (b) if the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, or the Director of the Arms Control and Disarmament Agency objects, in writing, to such export or reexport. Any person proposing to export or reexport such a digital computer shall so notify the Secretary of Commerce, who, within 24 hours after receiving the notification, shall transmit the notification to the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency.

(b) COVERED COUNTRIES.—For purposes of subsection (a), the countries specified in this subsection are the countries listed as ''Computer Tier 3'' eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997, subject to modification by the President under subsection (e).

(c) TIME LIMIT.—Written objections under subsection (a) to an export or reexport shall be raised within 10 days after the notification is received under subsection (a). If such a written objection to the export or reexport of a computer is raised, the computer may be exported or reexported only pursuant to a license issued by the Secretary of Commerce under the Export Administration Regulations of the Department of Commerce, without regard to the licensing exceptions otherwise authorized under section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997. If no objection is raised within the 10-day period, the export or reexport is authorized.

(d) ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE.—The President, in consultation with the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency, may establish a new composite theoretical performance level for purposes of subsection (a). Such new level shall not take effect until 180 days after the President submits to the congressional committees designated in section 1215 a report setting forth the new composite theoretical performance level and the justification for such new level. Each report shall, at a minimum—

(1) address the extent to which high performance computers of a composite theoretical level between the level established in subsection (a) or such level as has been previously adjusted pursuant to this section and the new level, are available from other countries;

(2) address all potential uses of military significance to which high performance computers at the new level could be applied; and

(3) assess the impact of such uses on the national security interests of the United States.

(e) ADJUSTMENT OF COVERED COUNTRIES.—

(1) IN GENERAL.—The President, in consultation with the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency, may add a country to or remove a country from the list of covered countries in subsection (b), except that a country may be removed from the list only in accordance with paragraph (2).

(2) DELETIONS FROM LIST OF COVERED COUNTRIES.—The removal of a country from the list of covered countries under subsection (b) shall not take effect until 120 days after the President submits to the congressional committees designated in section 1215 a report setting forth the justification for the deletion.

(3) EXCLUDED COUNTRIES.—A country may not be removed from the list of covered countries under subsection (b) if—

(A) the country is a ''nuclear-weapon state'' (as defined by Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons) and the country is not a member of the North Atlantic Treaty Organization; or

(B) the country is not a signatory of the Treaty on the Non-Proliferation of Nuclear Weapons and the country is listed on Annex 2 to the Comprehensive Nuclear Test-Ban Treaty.

(f) CLASSIFICATION.—Each report under subsections (d) and (e) shall be submitted in an unclassified form and may, if necessary, have a classified supplement.

SEC. 1212. REPORT ON EXPORTS OF HIGH PERFORMANCE COMPUTERS.

(a) REPORT.—Not later than 60 days after the date of the enactment of this Act, the President shall provide to the congressional committees specified in section 1215 a report identifying all exports of digital computers with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) to all countries since January 25, 1996. For each export, the report shall identify—

(1) whether an export license was applied for and whether one was granted;

(2) the date of the transfer of the computer;

(3) the United States manufacturer and exporter of the computer;

(4) the MTOPS level of the computer; and

(5) the recipient country and end user.

(b) ADDITIONAL INFORMATION ON EXPORTS TO CERTAIN COUNTRIES.—In the case of exports to countries specified in subsection (c), the report under subsection (a) shall identify the intended end use for the exported computer and the assessment by the executive branch of whether the end user is a military end user or an end user involved in activities relating to nuclear, chemical, or biological weapons or missile technology. Information provided under this subsection may be submitted in classified form if necessary.

(c) COVERED COUNTRIES.—For purposes of subsection (b), the countries specified in this subsection are—

(1) the countries listed as ''Computer Tier 3'' eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997; and

(2) the countries listed in section 740.7(e) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

SEC. 1213. POST-SHIPMENT VERIFICATION OF EXPORT OF HIGH PERFORMANCE COMPUTERS.

(a) REQUIRED POST-SHIPMENT VERIFICATION.—The Secretary of Commerce shall conduct post-shipment verification of each digital computer with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) that is exported from the United States, on or after the date of the enactment of this Act, to a country specified in subsection (b).

(b) COVERED COUNTRIES.—For purposes of subsection (a), the countries specified in this subsection are the countries listed as ''Computer Tier 3'' eligible countries in section 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997, subject to modification by the President under section 1211(e).

(c) ANNUAL REPORT.—The Secretary of Commerce shall submit to the congressional committees specified in section 1215 an annual report on the results of post-shipment verifications conducted under this section during the preceding year. Each such report shall include a list of all such items exported from the United States to such countries during the previous year and, with respect to each such export, the following:

(1) The destination country.

(2) The date of export.

(3) The intended end use and intended end user.

(4) The results of the post-shipment verification.

(d) EXPLANATION WHEN VERIFICATION NOT CONDUCTED.—If a post-shipment verification has not been conducted in accordance with subsection (a) with respect to any such export during the period covered by a report, the Secretary shall include in the report for that period a detailed explanation of the reasons why such a post-shipment verification was not conducted.

SEC. 1214. GAO STUDY ON CERTAIN COMPUTERS; END USER INFORMATION ASSISTANCE.

(a) IN GENERAL.—The Comptroller General of the United States shall submit to the congressional committees specified in section 1215 a study of the national security risks relating to the sale of computers with a composite theoretical performance of between 2,000 and 7,000 millions of theoretical operations per second (MTOPS) to end users in countries specified in subsection (c). The study shall also analyze any foreign availability of computers described in the preceding sentence and the impact of such sales on United States exporters.

(b) END USER INFORMATION ASSISTANCE TO EXPORTERS.—The Secretary of Commerce shall establish a procedure by which exporters may seek information on questionable end users in countries specified in subsection (c) who are seeking to obtain computers described in subsection (a).

(c) COVERED COUNTRIES.—For purposes of subsections (a) and (b), the countries specified in this subsection are the countries listed as ''Computer Tier 3'' eligible countries in section 740.7(d) of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997.

SEC. 1215. CONGRESSIONAL COMMITTEES.

For purposes of sections 1211(d), 1212(a), 1213(c), and 1214(a) the congressional committees specified in those sections are the following:

(1) The Committee on Banking, Housing, and Urban Affairs and the Committee on Armed Services of the Senate.

(2) The Committee on International Relations and the Committee on National Security of the House of Representatives.

Subtitle C—Other Matters

SEC. 1221. DEFENSE BURDENSHARING.

(a) EFFORTS TO INCREASE ALLIED BURDENSHARING.—The President shall seek to

have each nation that has cooperative military relations with the United States (including security agreements, basing arrangements, or mutual participation in multinational military organizations or operations) take one or more of the following actions:

(1) For any nation in which United States military personnel are assigned to permanent duty ashore, increase its financial contributions to the payment of the nonpersonnel costs incurred by the United States Government for stationing United States military personnel in that nation, with a goal of achieving by September 30, 2000, 75 percent of such costs. An increase in financial contributions by any nation under this paragraph may include the elimination of taxes, fees, or other charges levied on United States military personnel, equipment, or facilities stationed in that nation.

(2) Increase its annual budgetary outlays for national defense as a percentage of its gross domestic product by 10 percent or at least to a level commensurate that of the United States by September 30, 1998.

(3) Increase its annual budgetary outlays for foreign assistance (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights) by 10 percent or at least to a level commensurate to that of the United States by September 30, 1998.

(4) Increase the amount of military assets (including personnel, equipment, logistics, support and other resources) that it contributes, or would be prepared to contribute, to multinational military activities worldwide.

(b) AUTHORITIES TO ENCOURAGE ACTIONS BY UNITED STATES ALLIES.—In seeking the actions described in subsection (a) with respect to any nation, or in response to a failure by any nation to undertake one or more of such actions, the President may take any of the following measures to the extent otherwise authorized by law:

(1) Reduce the end strength level of members of the Armed Forces assigned to permanent duty ashore in that nation.

(2) Impose on that nation fees or other charges similar to those that such nation imposes on United States forces stationed in that nation.

(3) Reduce (through rescission, impoundment, or other appropriate procedures as authorized by law) the amount the United States contributes to the NATO Civil Budget, Military Budget, or Security Investment Program.

(4) Suspend, modify, or terminate any bilateral security agreement the United States has with that nation, consistent with the terms of such agreement.

(5) Reduce (through rescission, impoundment or other appropriate procedures as authorized by law) any United States bilateral assistance appropriated for that nation.

(6) Take any other action the President determines to be appropriate as authorized by law.

(c) REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Not later than March 1, 1998, the Secretary of Defense shall submit to Congress a report on—

(1) steps taken by other nations to complete the actions described in subsection (a);

(2) all measures taken by the President, including those authorized in subsection (b), to achieve the actions described in subsection (a);

(3) the difference between the amount allocated by other nations for each of the actions described in subsection (a) during the period beginning on March 1, 1996, and ending on February 28, 1997, and during the period beginning on March 1, 1997, and ending on February 28, 1998; and

(4) the budgetary savings to the United States that are expected to accrue as a result of the steps described under paragraph (1).

(d) REPORT ON NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—(1) In order to ensure the best allocation of budgetary resources, the President shall undertake a review of the status of elements of the United States Armed Forces that are permanently stationed outside the United States. The review shall include an assessment of the following:

(A) The alliance requirements that are to be found in agreements between the United States and other countries.

(B) The national security interests that support permanently stationing elements of the United States Armed Forces outside the United States.

(C) The stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(D) The alternatives available to forward deployment (such as material prepositioning, enhanced airlift and sealift, or joint training operations) to meet such alliance requirements or national security interests, with such alternatives identified and described in detail.

(E) The costs and force structure configurations associated with such alternatives to forward deployment.

(F) The financial contributions that allies of the United States make to common defense efforts (to promote democratization, economic stabilization, transparency arrangements, defense economic conversion, respect for the rule of law, and internationally recognized human rights).

(G) The contributions that allies of the United States make to meeting the stationing costs associated with the forward deployment of elements of the United States Armed Forces.

(H) The annual expenditures of the United States and its allies on national defense, and the relative percentages of each nation's gross domestic product constituted by those expenditures.

(2) The President shall submit to Congress a report on the review under paragraph (1). The report shall be submitted not later than March 1, 1998, in classified and unclassified form.

SEC. 1222. TEMPORARY USE OF GENERAL PURPOSE VEHICLES AND NONLETHAL MILITARY EQUIPMENT UNDER ACQUISITION AND CROSS SERVICING AGREEMENTS.

Section 2350(1) of title 10, United States Code, is amended by striking out ''other items'' in the second sentence and all that follows through ''United States Munitions List'' and inserting in lieu thereof ''other nonlethal items of military equipment which are not designated as significant military equipment on the United States Munitions List promulgated''.

SEC. 1223. SENSE OF CONGRESS AND REPORTS REGARDING FINANCIAL COSTS OF ENLARGEMENT OF THE NORTH ATLANTIC TREATY ORGANIZATION.

(a) FINDINGS.—Congress finds the following:

(1) In a report to Congress in February 1997 on the rationale, benefits, costs, and implications of North Atlantic Treaty Organization enlargement the Secretary of Defense estimated that the financial cost to the United States of such enlargement will be modest, totaling between $2,000,000,000 and $2,600,000,000 for the period from 1997 through 2009.

(2) A study by the RAND Corporation published in 1996 calculated that the total financial cost to the United States of such enlargement will be between $5,000,000,000 and $6,000,000,000 over the same period.

(3) A March 1996 report by the Congressional Budget Office on the financial costs of enlarging the North Atlantic Treaty Organization alliance estimated the United States share of alliance enlargement costs to be between $4,800,000,000 and $18,900,000,000 through 2010, depending upon political developments in Europe.

(4) An August 1997 report by the General Accounting Office reviewing the financial cost estimates of the Secretary of Defense concluded that North Atlantic Treaty Organization enlargement could entail additional costs beyond those included in the Secretary's estimate and questioned the validity of the Secretary's estimate due to the lack of supporting cost documentation and the inclusion of cost elements not related to NATO enlargement.

(5) The North Atlantic Alliance is scheduled to complete its analysis of the military requirements for the integration of Poland, the Czech Republic, and Hungary into the Alliance in December 1997.

(6) The North Atlantic Alliance is also scheduled to complete in December 1997 its financial cost estimate of the military requirements related to the integration of those nations.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the analysis of the North Atlantic Alliance of the military requirements relating to NATO enlargement and of the financial costs to the Alliance of NATO enlargement will be one of the major factors in the consideration by the Senate of the ratification of instruments to approve the admission of new member nations to the Alliance and by Congress for the authorization and appropriation of the funding for the costs associated with such enlargement.

(c) REPORT ASSESSING NATO COST ANALYSIS.—Not later than March 31, 1998, the Secretary of Defense shall submit to Congress a report providing—

(1) an assessment of the analysis by the North Atlantic Alliance of the military requirements related to NATO enlargement and of the estimate of the financial costs to the NATO Alliance for the integration of Poland, the Czech Republic, and Hungary into the Alliance;

(2) a description of the analytical means used to determine such requirements and costs; and

(3) a general assessment of the additional military requirements and costs that would result from a significantly increased threat.

(b) REPORT ON DEPARTMENT OF DEFENSE COSTS.—(1) The Secretary of Defense shall submit to Congress, in conjunction with the submission of the President's budget for fiscal year 1999, a report on Department of Defense costs for NATO enlargement. The report shall include a detailed estimate of such costs for fiscal year 1998 that identifies all appropriations, by budget activity, for the military departments and other elements of the Department of Defense to support NATO enlargement.

(2) The Secretary of Defense shall include in the budget justification materials submitted to Congress by the Secretary in support of the budget of Department of Defense for fiscal year 1999 complete and detailed descriptions and estimates of the amounts provided in that budget for the costs of NATO enlargement.

SEC. 1224. SENSE OF CONGRESS REGARDING ENLARGEMENT OF THE NORTH ATLANTIC TREATY ORGANIZATION.

(a) FINDINGS.—Congress makes the following findings:

(1) The North Atlantic Treaty Organization (NATO) met on July 8 and 9, 1997, in Madrid, Spain, and issued invitations to the Czech Republic, Hungary, and Poland to begin accession talks to join NATO.

(2) Congress has expressed its support for the process of NATO enlargement by approving the NATO Enlargement Facilitation Act of 1996 (title VI of the matter enacted in section 101(c) of division A of Public Law 104–208; 22 U.S.C. 1928 note).

(3) The United States has supported the position that the process of enlarging NATO will continue after the first round of invitations in July 1997.

(4) Romania and Slovenia are to be commended for their progress toward political and economic reform and appear to be striving to meet the guidelines for prospective membership in NATO.

(5) In furthering the purpose and objective of NATO in promoting stability and well-being in the North Atlantic area, NATO should invite Romania and Slovenia to accession negotiations to become NATO members as expeditiously as

possible upon the satisfaction of all relevant membership criteria and consistent with NATO security objectives.

(b) SENSE OF CONGRESS.—It is the sense of Congress that North Atlantic Treaty Organization should be commended—

(1) for having committed to review the process of enlarging the Organization in 1999; and

(2) for singling out the positive developments toward democracy and rule of law in Romania and Slovenia.

SEC. 1225. SENSE OF CONGRESS RELATING TO LEVEL OF UNITED STATES MILITARY PERSONNEL IN THE EAST ASIA AND PACIFIC REGION.

(a) FINDINGS.—Congress finds the following:

(1) The stability of the Asia-Pacific region is a matter of vital national interest affecting the well-being of all Americans.

(2) The nations of the Pacific Rim collectively represent the United States largest trading partner and are expected to account for almost one-third of the world's economic activity by the start of the next century.

(3) The increased reliance by the United States on trade and Middle East oil sources has reinforced United States security interests in the Southeast Asia shipping lanes through the South China Sea and the key straits of Malacca, Sunda, Lombok, and Makassar.

(4) The South China Sea is an important area for United States Navy ships passing from the Pacific to the Indian Ocean and the Persian Gulf.

(5) Maintaining freedom of navigation in the South China Sea is an important interest of the United States.

(6) The threats of proliferation of weapons of mass destruction, the emerging nationalism amidst long-standing ethnic and national rivalries, and the unresolved territorial disputes combine to create a political landscape of potential instability and conflict in this region that could jeopardize the interests of the United States and the safety of United States nationals.

(7) A critical component of the East Asia strategy of the United States is maintaining forward deployed forces in Asia to ensure broad regional stability, to help to deter aggression, to lessen the pressure for arms races, and to contribute to the political and economic advances of the region from which the United States benefits.

(8) The forward presence of the United States in Northeast Asia enables the United States to respond to regional contingencies, to protect sea lines of communication, to sustain influence, and to support operations as distant as operations in the Persian Gulf.

(9) The military forces of the United States serve to prevent the political or economic control of the Asia-Pacific region by a rival, hostile power or coalition of such powers, thus preventing any such group from obtaining control over the vast resources, enormous wealth, and advanced technology of the region.

(10) Allies of the United States in the region can base their defense planning on a reliable American security commitment, a reduction of which could stimulate an arms buildup in the region.

(11) The Joint Announcement of the United States-Japan Security Consultative Committee of December 1996, acknowledged that ''the forward presence of U.S. forces continues to be an essential element for pursuing our common security objectives''.

(12) The United States and Japan signed the United States-Japan Security Declaration in April 1996, in which the United States reaffirmed its commitment to maintain this level of 100,000 United States military personnel in the region.

(13) The United States military presence is recognized by the nations of the region as serving stability and enabling United States engagement.

(14) The nations of East Asia and the Pacific consider the commitment of the forces of the United States to be so vital to their future that they scrutinize actions of the United States for any sign of weakened commitment to the security of the region.

(15) The reduction of forward-based military forces could negatively affect the ability of the United States to contribute to the maintenance of peace and stability of the Asia and Pacific region.

(16) Recognizing that while the United States must consider the overall capabilities of its forces in its decisions to deploy troops, nevertheless any reduction in the number of forward-based troops may reduce the perception of American capability and commitment in the region that cannot be completely offset by modernization of the remaining forces.

(17) During time of crisis, deployment of forces to East Asia, even though such forces were previously removed from the area, might be deemed to be an act of provocation that could be used as a pretext by a hostile power for armed aggression within the region, and the existence of that possibility might hinder such a deployment.

(18) Proposals to reduce the forward presence of the United States in the East Asia region or subordinate security interests to United States domestic budgetary concerns can erode the perception of the commitment of the United States to its alliances and interests in the region.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should maintain at least approximately 100,000 United States military personnel in the East Asia and Pacific region until such time as there is a peaceful and permanent resolution to the major security and political conflicts in the region.

SEC. 1226. REPORT ON FUTURE MILITARY CAPABILITIES AND STRATEGY OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the pattern of military modernization of the People's Republic of China. The report shall address the probable course of military-technological development in the People's Liberation Army and the development of Chinese security strategy and military strategy, and of military organizations and operational concepts, through 2015.

(b) MATTERS TO BE INCLUDED.—The report shall include analyses and forecasts of the following:

(1) The goals of Chinese security strategy and military strategy.

(2) Trends in Chinese strategy regarding the political goals of the People's Republic of China in the Asia-Pacific region and its political and military presence in other regions of the world, including Central Asia, Southwest Asia, Europe, and Latin America.

(3) Developments in Chinese military doctrine, focusing on (but not limited to) efforts to exploit an emerging Revolution in Military Affairs or to conduct preemptive strikes.

(4) Efforts by the People's Republic of China to enhance its capabilities in the area of nuclear weapons development.

(5) Efforts by the People's Republic of China to develop long-range air-to-air or air defense missiles that would provide the capability to target special support aircraft such as Airborne Warning and Control System (AWACS) aircraft, Joint Surveillance and Target Attack Radar System (JSTARS) aircraft, or other command and control, intelligence, airborne early warning, or electronic warfare aircraft.

(6) Efforts by the People's Republic of China to develop a capability to conduct ''information warfare'' at the strategic, operational, and tactical levels of war.

(7) Development by the People's Republic of China of capabilities in the area of electronic warfare.

(8) Efforts by the People's Republic of China to develop a capability to establish control of space or to deny access and use of military and commercial space systems in times of crisis or war, including programs to place weapons in space or to develop earth-based weapons capable of attacking space-based systems.

(9) Trends that would lead the People's Republic of China toward the development of advanced intelligence, surveillance, and reconnaissance capabilities, including gaining access to commercial or third-party systems with military significance.

(10) Efforts by the People's Republic of China to develop highly accurate and stealthy ballistic and cruise missiles, including sea-launched cruise missiles, particularly in numbers sufficient to conduct attacks capable of overwhelming projected defense capabilities in the Asia-Pacific region.

(11) Development by the People's Republic of China of command and control networks, particularly those capable of battle management of long-range precision strikes.

(12) Efforts by the People's Republic of China in the area of telecommunications, including common channel signaling and synchronous digital hierarchy technologies.

(13) Development by People's Republic of China of advanced aerospace technologies with military applications (including gas turbine ''hot section'' technologies).

(14) Programs of the People's Republic of China involving unmanned aerial vehicles, particularly those with extended ranges or loitering times or potential strike capabilities.

(15) Exploitation by the People's Republic of China for military purposes of the Global Positioning System or other similar systems (including commercial land surveillance satellites), with such analysis and forecasts focusing particularly on indications of an attempt to increase the accuracy of weapons or situational awareness of operating forces.

(16) Development by the People's Republic of China of capabilities for denial of sea control, including such systems as advanced sea mines, improved submarine capabilities, or land-based sea-denial systems.

(17) Efforts by the People's Republic of China to develop its anti-submarine warfare capabilities.

(18) Continued development by the People's Republic of China of follow-on forces, particularly forces capable of rapid air or amphibious assault.

(19) Efforts by the People's Republic of China to enhance its capabilities in such additional areas of strategic concern as the Secretary identifies.

(c) ANALYSIS OF IMPLICATIONS OF SALES OF PRODUCTS AND TECHNOLOGIES TO ENTITIES IN CHINA.—The report under subsection (a) shall include, with respect to each area for analyses and forecasts specified in subsection (b)—

(1) an assessment of the military effects of sales of United States and foreign products and technologies to entities in the People's Republic of China; and

(2) the potential threat of developments related to such effects to United States strategic interests.

(d) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than March 15, 1998.

SEC. 1227. SENSE OF CONGRESS ON NEED FOR RUSSIAN OPENNESS ON THE YAMANTAU MOUNTAIN PROJECT.

(a) FINDINGS.—Congress finds as follows:

(1) The United States and Russia have been working since the end of the Cold War to achieve a strategic relationship based on cooperation and openness between the two nations.

(2) This effort to establish a new strategic relationship between the two nations has resulted in the conclusion or agreement in principle on a number of far-reaching agreements, including START I, II, and III, a revision in the Conventional Forces in Europe Treaty, and a series of other agreements (such as the Comprehensive Test Ban Treaty and the Chemical Weapons

Convention), designed to further reduce bilateral threats and limit the proliferation of weapons of mass destruction.

(3) These far-reaching agreements were based on the understanding between the United States and Russia that there would be a good faith effort on both sides to comply with the letter and spirit of the agreements.

(4) Reports indicate that Russia has been pursuing construction of a massive underground facility of unknown purpose at Yamantau Mountain and the city of Mezhgorye (formerly the settlements of Beloretsk–15 and Beloretsk–16) that is designed to survive a nuclear war and appears to exceed reasonable defense requirements.

(5) The Yamantau Mountain project does not appear to be consistent with the lowering of strategic threats, openness, and cooperation that is the basis of the post-Cold War strategic partnership between the United States and Russia.

(6) The United States has allowed senior Russian military and government officials to have access to key strategic facilities of the United States by providing tours of the North American Air Defense (NORAD) command at Cheyenne Mountain and the United States Strategic Command (STRATCOM) headquarters in Omaha, Nebraska, among other sites, and by providing extensive briefings on the operations of those facilities.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Russian government—

(1) should provide to the United States Government a written explanation with sufficient detail (including drawings and diagrams) of the purpose and operational concept of the completed and planned facilities at Yamantau Mountain to support a high confidence judgment by the United States that the design of the Yamantau facility is consistent with official Russian government explanations; and

(2) should allow a United States delegation, to include officials of the executive branch and Members of Congress, to have access to the Yamantau Mountain project and buildings and facilities surrounding the project.

SEC. 1228. ASSESSMENT OF THE CUBAN THREAT TO UNITED STATES NATIONAL SECURITY.

(a) FINDINGS.—Congress makes the following findings:

(1) Cuba has maintained a hostile policy in its relations with the United States for over 35 years.

(2) The United States, as a sovereign nation, must be able to respond to any Cuban provocation and defend the people and territory of the United States against any attack.

(3) In 1994, the Government of Cuba callously encouraged a massive exodus of Cubans, by boat and raft, toward the United States during which countless numbers of those Cubans lost their lives on the high seas.

(4) The humanitarian response of the United States to rescue, shelter, and provide emergency care to those Cubans, together with the actions taken to absorb some 30,000 of those Cubans into the United States, required significant efforts and the expenditure of hundreds of millions of dollars for the costs incurred by the United States and State and local governments in connection with those efforts.

(5) On February 24, 1996, Cuban MiG aircraft attacked and destroyed, in international airspace, two unarmed civilian aircraft flying from the United States, and the four persons in those unarmed civilian aircraft were killed.

(6) Since that attack, the Cuban government has issued no apology for the attack, nor has it indicated any intention to conform its conduct to international law that is *applicable to civilian aircraft operating in international airspace.*

(b) REVIEW AND ASSESSMENT.—The Secretary of Defense shall carry out a comprehensive review and assessment of—

(1) Cuban military capabilities; and

(2) the threats to the national security of the United States that may be posed by Cuba, including—

(A) such unconventional threats as (i) encouragement of massive and dangerous migration, and (ii) attacks on citizens and residents of the United States while they are engaged in peaceful protest in international waters or airspace;

(B) the potential for development and delivery of chemical or biological weapons; and

(C) the potential for internal strife in Cuba that could involve citizens or residents of the United States or the Armed Forces of the United States.

(c) REPORT.—Not later than March 31, 1998, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the review and assessment. The report shall include the following:

(1) The Secretary's assessment of the capabilities and threats referred to in subsection (b), including each of the threats described in paragraph (2) of that subsection.

(2) A discussion of the results of the review and assessment, including an assessment of the contingency plans developed by the Secretary to counter any threat posed by Cuba to the United States.

(d) CONSULTATION ON REVIEW AND ASSESSMENT.—In performing the review and assessment and in preparing the report, the Secretary of Defense shall consult with the Chairman of the Joint Chiefs of Staff, the commander of the United States Southern Command, and the heads of other appropriate departments and agencies of the United States.

SEC. 1229. REPORT ON HELSINKI JOINT STATEMENT.

(a) REQUIREMENT.—Not later than March 31, 1998, the President shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Helsinki Joint Statement on future reductions in nuclear forces. The report shall address the United States approach (including verification implications) to implementing the Helsinki Joint Statement, in particular, as that Statement relates to the following:

(1) Lower aggregate levels of strategic nuclear warheads.

(2) Measures relating to the transparency of strategic nuclear warhead inventories and the destruction of strategic nuclear warheads.

(3) Deactivation of strategic nuclear delivery vehicles.

(4) Measures relating to nuclear long-range sea-launched cruise missiles and tactical nuclear systems.

(5) Issues related to transparency in nuclear materials.

(b) DEFINITION.—For purposes of this section, the term ''Helsinki Joint Statement'' means the agreements between the President of the United States and the President of the Russian Federation as contained in the Joint Statement on Parameters on Future Reductions in Nuclear Forces issued at Helsinki in March 1997.

SEC. 1230. COMMENDATION OF MEXICO ON FREE AND FAIR ELECTIONS.

(a) FINDINGS.—Congress makes the following findings:

(1) On July 6, 1997, elections were conducted in Mexico in order to fill 500 seats in the Chamber of Deputies, 32 seats in the 128 seat Senate, the office of the Mayor of Mexico City, and local elections in a number of Mexican States.

(2) For the first time, the federal elections were organized by the Federal Electoral Institute, an autonomous and independent organization established under the Mexican Constitution.

(3) More than 52,000,000 Mexican citizens registered to vote.

(4) Eight political parties registered to participate in the those elections, including the Institutional Revolutionary Party (PRI), the National Action Party (PAN), and the Democratic Revolutionary Party (PRD).

(5) Since 1993, Mexican citizens have had the exclusive right to participate as observers in activities related to the preparation and the conduct of elections.

(6) Since 1994, Mexican law has permitted international observers to be a part of the election process.

(7) With 84 percent of the ballots counted, PRI candidates received 38 percent of the vote for seats in the Chamber of Deputies, while PRD and PAN candidates received 52 percent of the combined vote.

(8) PRD candidate Cuauhtemoc Cardenas Solorzano has become the first elected Mayor of Mexico City, a post previously appointed by the President.

(9) PAN members will now serve as governors in seven of Mexico's 31 States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the recent elections in Mexico were conducted in a free, fair, and impartial manner;

(2) the will of the Mexican people, as expressed through the ballot box, has been respected by President Ernesto Zedillo and officials throughout his administration; and

(3) President Zedillo, the Mexican Government, the Federal Electoral Institute of Mexico, the political parties and candidates, and most importantly the citizens of Mexico should all be congratulated for their support and participation in these very historic elections.

SEC. 1231. SENSE OF CONGRESS REGARDING CAMBODIA.

(a) FINDINGS.—Congress makes the following findings:

(1) During the 1970s and 1980s, Cambodia was wracked by political conflict, war, and violence, including genocide perpetrated by the Khmer Rouge from 1975 to 1979.

(2) The 1991 Paris Agreements on a Comprehensive Political Settlement of the Cambodia Conflict set the stage for a process of political accommodation and national reconciliation among Cambodia's warring parties.

(3) The international community engaged in a massive effort involving more than $2,000,000,000 to ensure peace, democracy, and prosperity in Cambodia following the Paris Accords.

(4) The Cambodian people clearly demonstrated their support for democracy when 90 percent of eligible Cambodian voters participated in United Nations-sponsored elections in 1993.

(5) Since the 1993 elections, Cambodia has made economic progress, as shown by the recent decision of the Association of Southeast Asian Nations (ASEAN) to extend membership in the Association to Cambodia.

(6) Tensions within the ruling Cambodian coalition have erupted into violence.

(7) In March 1997, 19 Cambodians were killed and more than 100 were wounded in a grenade attack on political demonstrators supportive of the Funcinpec and the Khmer Nation Party.

(8) During June 1997, fighting erupted in Phnom Penh between forces loyal to First Prime Minister Prince Ranariddh and Second Prime Minister Hun Sen.

(9) On July 5, 1997, Second Prime Minister Hun Sen deposed the First Prime Minister in a violent coup d'état.

(10) Forces loyal to Hun Sen have executed former Interior Minister Ho Sok and approximately 40 other political opponents loyal to Prince Ranariddh.

(11) Democracy and stability in Cambodia are threatened by the continued use of violence and other extralegal means to resolve political tensions.

(12) In response to the July 1997 coup in Cambodia referred to in paragraph (9)—

(A) the President has suspended all direct assistance to the Cambodian Government; and

(B) the Association of Southeast Asian Nations (ASEAN) has decided to delay indefinitely admission of Cambodia to membership in the Association.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the parties in Cambodia should immediately cease the use of violence;

(2) the United States should take all necessary steps to ensure the safety of United States citizens in Cambodia;

(3) the United States should call an emergency meeting of the United Nations Security Council to consider all options to restore peace and democratic governance in Cambodia;

(4) the United States and the Association of Southeast Asian Nations should work together to take immediate steps to restore democracy and the rule of law in Cambodia;

(5) United States assistance to the Government of Cambodia should remain suspended until violence ends, the democratically elected Government is restored to power, and the necessary steps have been taken to ensure that the elections scheduled for 1998 take place; and

(6) the United States should take all necessary steps to encourage other donor nations to suspend assistance as part of a multilateral effort.

SEC. 1232. CONGRATULATING GOVERNOR CHRISTOPHER PATTEN OF HONG KONG.

(a) FINDINGS.—Congress makes the following findings:

(1) His Excellency Christopher F. Patten, the former Governor of Hong Kong, was the twenty-eighth and last British Governor of the dependent territory of Hong Kong before that territory reverted back to the People's Republic of China on July 1, 1997.

(2) Christopher Patten was a superb administrator and an inspiration to the people whom he governed.

(3) During Christopher Patten's five years as Governor of Hong Kong, the economy flourished under his stewardship, growing by more than 30 percent in real terms.

(4) Christopher Patten presided over a capable and honest civil service.

(5) During the tenure of Christopher Patten as Governor of Hong Kong, common crime declined and the political climate was positive and stable.

(6) The legacy of Christopher Patten to Hong Kong is the expansion of democracy in Hong Kong's legislative council and a tireless devotion to the rights, freedoms, and welfare of the people of Hong Kong.

(7) Christopher Patten fulfilled the commitment of the British Government to ''put in place a solidly based democratic administration'' in Hong Kong before July 1, 1997.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that Christopher F. Patten, the last British Governor of the dependent territory of Hong Kong—

(1) served his country with great honor and distinction in that capacity; and

(2) deserves special thanks and recognition from the United States for his tireless efforts to develop and nurture democracy in Hong Kong.

TITLE XIII—ARMS CONTROL AND RELATED MATTERS

Sec. 1301. Presidential report concerning detargeting of Russian strategic missiles.
Sec. 1302. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1303. Assistance for facilities subject to inspection under the Chemical Weapons Convention.
Sec. 1304. Transfers of authorizations for high-priority counterproliferation programs.
Sec. 1305. Advice to the President and Congress regarding the safety, security, and reliability of United States nuclear weapons stockpile.
Sec. 1306. Reconstitution of commission to assess the ballistic missile threat to the United States.
Sec. 1307. Sense of Congress regarding the relationship between United States obligations under the Chemical Weapons Convention and environmental laws.
Sec. 1308. Extension of counterproliferation authorities for support of United Nations Special Commission on Iraq.
Sec. 1309. Annual report on moratorium on use by Armed Forces of antipersonnel landmines.

SEC. 1301. PRESIDENTIAL REPORT CONCERNING DETARGETING OF RUSSIAN STRATEGIC MISSILES.

(a) REQUIRED REPORT.—Not later than January 1, 1998, the President shall submit to Congress a report concerning detargeting of Russian strategic missiles. The report shall address each of the following:

(1) Whether a Russian ICBM that was formerly, but is no longer, targeted at a site in the United States would be automatically retargeted at a site in the United States in the event of the accidental launch of the missile.

(2) Whether missile detargeting would prevent or significantly reduce the possibility of an unauthorized missile launch carried out by the Russian General Staff and prevent or significantly reduce the consequences to the United States of such a launch.

(3) Whether missile detargeting would pose a significant obstacle to an unauthorized launch carried out by an operational level below the Russian General Staff if missile operators at such an operational level acquired missile launch codes or had the technical expertise to override missile launch codes.

(4) The plausibility of an accidental launch of a Russian ICBM, compared to the possibility of a deliberate missile launch, authorized or unauthorized, resulting from Russian miscalculation, overreaction, or aggression.

(5) The national security benefits derived from detargeting United States and Russian ICBMs.

(6) The relative consequences to the United States of an unauthorized or accidental launch of a Russian ICBM that has been detargeted and one that has not been detargeted.

(b) DEFINITIONS.—For purposes of subsection (a):

(1) The term ''Russian ICBM'' means an intercontinental ballistic missile of the Russian Federation.

(2) The term ''accidental launch'' means a missile launch resulting from mechanical failure.

SEC. 1302. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) FUNDING LIMITATION.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1998 for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems below the specified levels:

(1) 71 B–52H bomber aircraft.

(2) 18 Trident ballistic missile submarines.

(3) 500 Minuteman III intercontinental ballistic missiles.

(4) 50 Peacekeeper intercontinental ballistic missiles.

(b) WAIVER AUTHORITY.—If the START II Treaty enters into force during fiscal year 1998, the Secretary of Defense may waive the application of the limitation under subsection (a) to the extent that the Secretary determines necessary in order to implement the treaty.

(c) FUNDING LIMITATION ON EARLY DEACTIVATION.—(1) If the limitation under subsection (a) ceases to apply by reason of a waiver under subsection (b), funds available to the Department of Defense may nevertheless not be obligated or expended during fiscal year 1998 to implement any agreement or understanding to undertake substantial early deactivation of a strategic nuclear delivery system specified in subsection (a) until 30 days after the date on which the President submits to Congress a report concerning such actions.

(2) For purposes of this subsection and subsection (d), a substantial early deactivation is an action during fiscal year 1998 to deactivate a substantial number of strategic nuclear delivery systems specified in subsection (a) by—

(A) removing nuclear warheads from those systems; or

(B) taking other steps to remove those systems from combat status.

(3) A report under this subsection shall include the following:

(A) The text of any understanding or agreement between the United States and the Russian Federation concerning substantial early deactivation of strategic nuclear delivery systems under the START II Treaty.

(B) The plan of the Department of Defense for implementing the agreement.

(C) An assessment of the Secretary of Defense of the adequacy of the provisions contained in the agreement for monitoring and verifying compliance of Russia with the terms of the agreement and, based upon that assessment, the determination of the President specifically as to whether the procedures for monitoring and verification of compliance by Russia with the terms of the agreement are adequate or inadequate.

(D) A determination by the President as to whether the deactivations to occur under the agreement will be carried out in a symmetrical, reciprocal, or equivalent manner and whether the agreement will require early deactivations of strategic forces by the United States to be carried out substantially more rapidly than deactivations of strategic forces by Russia.

(E) An assessment by the President of the effect of the proposed early deactivation on the stability of the strategic balance and relative strategic nuclear capabilities of the United States and the Russian Federation at various stages during deactivation and upon completion, including a determination by the President specifically as to whether the proposed early deactivations will adversely affect strategic stability.

(d) FURTHER LIMITATION ON STRATEGIC FORCE REDUCTIONS.—(1) Amounts available to the Department of Defense for fiscal year 1998 to implement an agreement that results in a substantial early deactivation during fiscal year 1998 of strategic forces may not be obligated for that purpose if in the report under subsection (c)(3) the President determines any of the following:

(A) That procedures for monitoring and verification of compliance by Russia with the terms of the agreement are inadequate.

(B) That the agreement will require early deactivations of strategic forces by the United States to be carried out substantially more rapidly than deactivations of strategic forces by Russia.

(C) That the proposed early deactivations will adversely affect strategic stability.

(2) The limitation in paragraph (1), if effective by reason of a determination by the President described in paragraph (1)(B), shall cease to apply 30 days after the date on which the President notifies Congress that the early deactivations under the agreement are in the national interest of the United States.

(e) CONTINGENCY PLAN FOR SUSTAINMENT OF SYSTEMS.—(1) Not later then February 15, 1998, the Secretary of Defense shall submit to Congress a plan for the sustainment beyond October 1, 1999, of United States strategic nuclear delivery systems and alternative Strategic Arms Reduction Treaty force structures in the event that a strategic arms reduction agreement subsequent

to the Strategic Arms Reduction Treaty does not enter into force before 2004.

(2) The plan shall include a discussion of the following matters:

(A) The actions that are necessary to sustain the United States strategic nuclear delivery systems, distinguishing between the actions that are planned for and funded in the future-years defense program and the actions that are not planned for and funded in the future-years defense program.

(B) The funding necessary to implement the plan, indicating the extent to which the necessary funding is provided for in the future-years defense program and the extent to which the necessary funding is not provided for in the future-years defense program.

(f) START TREATIES DEFINED.—In this section:

(1) The term ''Strategic Arms Reduction Treaty'' means the Treaty Between the United States of America and the United Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms (START), signed at Moscow on July 31, 1991, including related annexes on agreed statements and definitions, protocols, and memorandum of understanding.

(2) The term ''START II Treaty'' means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the ''START II Treaty'' (contained in Treaty Document 103–1):

(A) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Elimination and Conversion Protocol'').

(B) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Exhibitions and Inspections Protocol'').

(C) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the ''Memorandum on Attribution'').

SEC. 1303. ASSISTANCE FOR FACILITIES SUBJECT TO INSPECTION UNDER THE CHEMICAL WEAPONS CONVENTION.

(a) ASSISTANCE AUTHORIZED.—Upon the request of the owner or operator of a facility that is subject to a routine inspection or a challenge inspection under the Chemical Weapons Convention, the Secretary of Defense may provide technical assistance to that owner or operator related to compliance of that facility with the Convention. Any such assistance shall be provided through the On-Site Inspection Agency of the Department of Defense.

(b) REIMBURSEMENT REQUIREMENT.—The Secretary may provide assistance under subsection (a) only to the extent that the Secretary determines that the Department of Defense will be reimbursed for costs incurred in providing the assistance. The United States National Authority may provide such reimbursement from amounts available to it. Any such reimbursement shall be credited to amounts available for the On-Site Inspection Agency.

(c) DEFINITIONS.—In this section:

(1) The terms ''Chemical Weapons Convention'' and ''Convention'' mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, ratified by the United States on April 25, 1997, and entered into force on April 29, 1997.

(2) The term ''facility that is subject to a routine inspection'' means a declared facility, as defined in paragraph 15 of part X of the Annex on Implementation and Verification of the Convention.

(3) The term ''challenge inspection'' means an inspection conducted under Article IX of the Convention.

(4) The term ''United States National Authority'' means the United States National Authority established or designated pursuant to Article VII, paragraph 4, of the Convention.

SEC. 1304. TRANSFERS OF AUTHORIZATIONS FOR HIGH-PRIORITY COUNTERPROLIFERATION PROGRAMS.

(a) AUTHORITY.—(1) Subject to paragraph (2), the Secretary of Defense may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1998 to any counterproliferation program, project, or activity described in subsection (b).

(2) A transfer of authorizations may be made under this section only upon determination by the Secretary of Defense that such action is necessary in the national interest.

(3) Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(b) PROGRAMS TO WHICH TRANFERS MAY BE MADE.—The authority under subsection (a) applies to any counterproliferation program, project, or activity of the Department of Defense identified as an area for progress in the most recent annual report of the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note).

(c) LIMITATION ON TOTAL AMOUNT.—The total amount of authorizations transferred under the authority of this section may not exceed $50,000,000.

(d) OTHER LIMITATIONS AND REQUIREMENTS.—The provisions of subsection (b), (c), and (d) of section 1001 shall apply to a transfer under this section in the same manner as they apply to a transfer under subsection (a) of that section.

(e) CONSTRUCTION WITH GENERAL TRANSFER AUTHORITY.—The authority provided by this section is in addition to the transfer authority provided in section 1001.

SEC. 1305. ADVICE TO THE PRESIDENT AND CONGRESS REGARDING THE SAFETY, SECURITY, AND RELIABILITY OF UNITED STATES NUCLEAR WEAPONS STOCKPILE.

(a) FINDINGS.—Congress makes the following findings:

(1) Nuclear weapons are the most destructive weapons on earth. The United States and its allies continue to rely on nuclear weapons to deter potential adversaries from using weapons of mass destruction. The safety and reliability of the nuclear weapons stockpile are essential to ensure its credibility as a deterrent.

(2) On September 24, 1996, President Clinton signed the Comprehensive Test Ban Treaty.

(3) Effective as of September 30, 1996, the United States is prohibited by section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377; 42 U.S.C. 2121 note) from conducting underground nuclear tests ''unless a foreign state conducts a nuclear test after this date, at which time the prohibition on United States nuclear testing is lifted''.

(4) Section 1436(b) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 42 U.S.C. 2121 note) requires the Secretary of Energy to ''establish and support a program to assure that the United States is in a position to maintain the reliability, safety, and continued deterrent effect of its stockpile of existing nuclear weapons designs in the event that a low-threshold or comprehensive test ban on nuclear explosive testing is negotiated and ratified.''.

(5) Section 3138(d) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 42 U.S.C. 2121 note) required the President to submit an annual report to Congress which sets forth ''any concerns with respect to the safety, security, effectiveness, or reliability of existing United States nuclear weapons raised by the Stockpile Stewardship Program of the Department of Energy''.

(6) President Clinton declared in July 1993 that ''to assure that our nuclear deterrent remains unquestioned under a test ban, we will explore other means of maintaining our confidence in the safety, reliability, and the performance of our weapons''. This decision was incorporated in a Presidential Directive.

(7) Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 42 U.S.C. 2121 note) also requires that the Secretary of Energy establish a ''stewardship program to ensure the preservation of the core intellectual and technical competencies of the United States in nuclear weapons''.

(8) The plan of the Department of Energy to maintain the safety and reliability of the United States nuclear weapons stockpile is known as the Stockpile Stewardship and Management Program. The ability of the United States to maintain and certify the safety, security, effectiveness, and reliability of the nuclear weapons stockpile without testing will require utilization of new and sophisticated computational capabilities and diagnostic technologies, methods, and procedures. Current diagnostic technologies and laboratory testing techniques are insufficient to certify the safety and reliability of the United States nuclear weapons stockpile into the future. Whereas in the past laboratory and diagnostic tools were used in conjunction with nuclear testing, in the future they will provide, under the Department of Energy's stockpile stewardship plan, the sole basis for assessing past test data and for making judgments on phenomena observed in connection with the aging of the stockpile.

(9) Section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o) requires that the directors of the nuclear weapons laboratories and the nuclear weapons production plants submit a report to the Assistant Secretary of Energy for Defense Programs if they identify a problem that has significant bearing on confidence in the safety or reliability of a nuclear weapon or nuclear weapon type, that the Assistant Secretary must transmit that report, along with any comments, to the congressional defense committees and to the Secretary of Energy and the Secretary of Defense, and that the Joint Nuclear Weapons Council advise Congress regarding its analysis of any such problems.

(10) On August 11, 1995, President Clinton directed ''the establishment of a new annual reporting and certification requirement [to] ensure that our nuclear weapons remain safe and reliable under a comprehensive test ban''.

(11) On the same day, the President noted that the Secretary of Defense and the Secretary of Energy have the responsibility, after being ''advised by the Nuclear Weapons Council, the Directors of DOE's nuclear weapons laboratories, and the Commander of United States Strategic Command'', to provide the President with the information regarding the certification referred to in paragraph (10).

(12) The Joint Nuclear Weapons Council established by section 179 of title 10, United States Code, is responsible for providing advice to the Secretary of Energy and Secretary of Defense regarding nuclear weapons issues, including ''considering safety, security, and control issues for existing weapons''. The Council plays a critical role in advising Congress in matters relating to nuclear weapons.

(13) It is essential that the President receive well-informed, objective, and honest opinions, including dissenting views, from his advisers and technical experts regarding the safety, security, effectiveness, and reliability of the nuclear weapons stockpile.

(b) POLICY.—

(1) IN GENERAL.—It is the policy of the United States—

(A) to maintain a safe, secure, effective, and reliable nuclear weapons stockpile; and

(B) as long as other nations control or actively seek to acquire nuclear weapons, to retain a credible nuclear deterrent.

(2) NUCLEAR WEAPONS STOCKPILE.—It is in the security interest of the United States to sustain the United States nuclear weapons stockpile through a program of stockpile stewardship, carried out at the nuclear weapons laboratories and nuclear weapons production plants.

(3) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the United States should retain a triad of strategic nuclear forces sufficient to deter any future hostile foreign leadership with access to strategic nuclear forces from acting against the vital interests of the United States;

(B) the United States should continue to maintain nuclear forces of sufficient size and capability to implement an effective and robust deterrent strategy; and

(C) the advice of the persons required to provide the President and Congress with assurances of the safety, security, effectiveness, and reliability of the nuclear weapons force should be scientifically based, without regard for politics, and of the highest quality and integrity.

(c) ADDITION OF PRESIDENT TO RECIPIENTS OF REPORTS BY HEADS OF LABORATORIES AND PLANTS.—Section 3159(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o) is amended—

(1) by striking out ''committees and'' and inserting in lieu thereof ''committees,''; and

(2) by inserting before the period at the end the following: '', and to the President''.

(d) TEN-DAY TIME LIMIT FOR TRANSMITTAL OF REPORT.—Section 3159(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o) is amended by striking out ''As soon as practicable'' and inserting in lieu thereof ''Not later than 10 days''.

(e) ADVICE AND OPINIONS REGARDING NUCLEAR WEAPONS STOCKPILE.—In addition to a director of a nuclear weapons laboratory or a nuclear weapons production plant (under section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 42 U.S.C. 7274o)), any member of the Joint Nuclear Weapons Council or the commander of the United States Strategic Command may also submit to the President, the Secretary of Defense, the Secretary of Energy, or the congressional defense committees advice or opinion regarding the safety, security, effectiveness, and reliability of the nuclear weapons stockpile.

(f) EXPRESSION OF INDIVIDUAL VIEWS.—A representative of the President may not take any action against, or otherwise constrain, a director of a nuclear weapons laboratory or a nuclear weapons production plant, a member of the Joint Nuclear Weapons Council, or the Commander of United States Strategic Command for presenting individual views to the President, the National Security Council, or Congress regarding the safety, security, effectiveness, and reliability of the nuclear weapons stockpile.

(g) DEFINITIONS.—In this section:

(1) The term ''representative of the President'' means the following:

(A) Any official of the Department of Defense or the Department of Energy who is appointed by the President and confirmed by the Senate.

(B) Any member of the National Security Council.

(C) Any member of the Joint Chiefs of Staff.

(D) Any official of the Office of Management and Budget.

(2) The term ''nuclear weapons laboratory'' means any of the following:

(A) Lawrence Livermore National Laboratory, California.

(B) Los Alamos National Laboratory, New Mexico.

(C) Sandia National Laboratories.

(3) The term ''nuclear weapons production plant'' means any of the following:

(A) The Pantex Plant, Texas.

(B) The Savannah River Site, South Carolina.

(C) The Kansas City Plant, Missouri.

(D) The Y–12 Plant, Oak Ridge, Tennessee.

SEC. 1306. RECONSTITUTION OF COMMISSION TO ASSESS THE BALLISTIC MISSILE THREAT TO THE UNITED STATES.

(a) INITIAL ORGANIZATION REQUIREMENTS.—Section 1321(g) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2712) is amended—

(1) in paragraph (1), by striking out ''not later than 45 days after the date of the enactment of this Act'' and inserting in lieu thereof ''not later than 30 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998''; and

(2) in paragraph (2)—

(A) by striking out ''30 days'' and inserting in lieu thereof ''60 days''; and

(B) by striking out '', but not earlier than October 15, 1996''.

(b) FUNDING.—Section 1328 of such Act (110 Stat. 2714) is amended by inserting ''and fiscal year 1998'' after ''for fiscal year 1997''.

SEC. 1307. SENSE OF CONGRESS REGARDING THE RELATIONSHIP BETWEEN UNITED STATES OBLIGATIONS UNDER THE CHEMICAL WEAPONS CONVENTION AND ENVIRONMENTAL LAWS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Chemical Weapons Convention requires the destruction of the United States stockpile of lethal chemical agents and munitions by April 29, 2007 (not later than 10 years after the Convention's entry into force).

(2) The President has substantial authority under existing law to ensure that—

(A) the technologies necessary to destroy the stockpile are developed;

(B) the facilities necessary to destroy the stockpile are constructed; and

(C) Federal, State, and local environmental laws and regulations do not impair the ability of the United States to comply with its obligations under the Convention.

(3) The Comptroller General has concluded (in GAO Report NSIAD 97018 of February 1997) that—

(A) obtaining the necessary Federal and State permits that are required under Federal environmental laws and regulations for building and operating the chemical agents and munitions destruction facilities is among the most unpredictable factors in the chemical demilitarization program; and

(B) program cost and schedule are largely driven by the degree to which States and local communities are in agreement with proposed disposal methods and whether those methods meet environmental concerns.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President—

(1) should use the authority of the President under existing law to ensure that the United States is able to construct and operate the facilities necessary to destroy the United States stockpile of lethal chemical agents and munitions within the time allowed by the Chemical Weapons Convention; and

(2) while carrying out the obligations of the United States under the Convention, should encourage negotiations between appropriate Federal officials and officials of the State and local governments concerned to attempt to meet their concerns regarding compliance with Federal and State environmental laws and regulations and other concerns about the actions being taken to carry out those obligations.

(c) CHEMICAL WEAPONS CONVENTION DEFINED.—For the purposes of this section, the terms ''Chemical Weapons Convention'' and ''Convention'' mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, ratified by the United States on April 25, 1997, and entered into force on April 29, 1997.

SEC. 1308. EXTENSION OF COUNTERPROLIFERATION AUTHORITIES FOR SUPPORT OF UNITED NATIONS SPECIAL COMMISSION ON IRAQ.

Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 102–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (d)(3), by striking out ''or'' after ''fiscal year 1996,'' and by inserting '', or $15,000,000 for fiscal year 1998'' before the period at the end; and

(2) in subsection (f), by striking out ''1997'' and inserting in lieu thereof ''1998''.

SEC. 1309. ANNUAL REPORT ON MORATORIUM ON USE BY ARMED FORCES OF ANTIPERSONNEL LANDMINES.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States has stated its support for a ban on antipersonnel landmines that is global in scope and verifiable.

(2) On May 16, 1996, the President announced that the United States, as a matter of policy, would eliminate its stockpile of non-self-destructing antipersonnel landmines, except those used for training purposes and in Korea, and that the United States would reserve the right to use self-destructing antipersonnel landmines in the event of conflict.

(3) On May 16, 1996, the President also announced that the United States would lead an effort to negotiate an international treaty permanently banning the use of all antipersonnel landmines.

(4) The United States is currently participating at the United Nations Conference on Disarmament in negotiations aimed at achieving a global ban on the use of antipersonnel landmines.

(5) On August 18, 1997, the administration agreed to participate in international negotiations sponsored by Canada (the so-called ''Ottawa process'') designed to achieve a treaty that would outlaw the production, use, and sale of antipersonnel landmines.

(6) On September 17, 1997, the President announced that the United States would not sign the antipersonnel landmine treaty concluded in Oslo, Norway, by participants in the Ottawa process because the treaty would not provide a geographic exception to allow the United States to stockpile and use antipersonnel landmines in Korea or an exemption that would preserve the ability of the United States to use mixed antitank mine systems which could be used to deter an armored assault against United States forces.

(7) The President also announced a change in United States policy whereby the United States—

(A) would no longer deploy antipersonnel landmines, including self-destructing antipersonnel landmines, by 2003, except in Korea;

(B) would seek to field alternatives by that date, or by 2006 in the case of Korea;

(C) would undertake a new initiative in the United Nations Conference on Disarmament to establish a global ban on the transfer of antipersonnel landmines; and

(D) would increase its current humanitarian demining activities around the world.

(8) The President's decision would allow the continued use by United States forces of self-destructing antipersonnel landmines that are used as part of a mixed antitank mine system.

(9) Under existing law (as provided in section 580 of Public Law 104–107; 110 Sat 751), on February 12, 1999, the United States will implement a one-year moratorium on the use of antipersonnel landmines by United States forces except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military

personnel and protected by adequate means to ensure the exclusion of civilians.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should not implement a moratorium on the use of antipersonnel landmines by United States Armed Forces in a manner that would endanger United States personnel or undermine the military effectiveness of United States Armed Forces in executing their missions; and

(2) the United States should pursue the development of alternatives to self-destructing antipersonnel landmines.

(c) ANNUAL REPORT.—Not later than December 31 each year, the Secretary of Defense shall submit to the congressional defense committees a report concerning antipersonnel landmines. Each such report shall include the Secretary's description of the following:

(1) The military utility of the continued deployment and use by the United States of antipersonnel landmines.

(2) The effect of a moratorium on the production, stockpiling, and use of antipersonnel landmines on the ability of United States forces to deter and defend against attack on land by hostile forces, including on the Korean peninsula.

(3) Progress in developing and fielding systems that are effective substitutes for antipersonnel landmines, including an identification and description of the types of systems that are being developed and fielded, the costs associated with those systems, and the estimated timetable for developing and fielding those systems.

(4) The effect of a moratorium on the use of antipersonnel landmines on the military effectiveness of current antitank mine systems.

(5) The number and type of pure antipersonnel landmines that remain in the United States inventory and that are subject to elimination under the President's September 17, 1997, declaration on United States antipersonnel landmine policy.

(6) The number and type of mixed antitank mine systems that are in the United States inventory, the locations where they are deployed, and their effect on the deterrence and warfighting ability of United States Armed Forces.

(7) The effect of the elimination of pure antipersonnel landmines on the warfighting effectiveness of the United States Armed Forces.

(8) The costs already incurred and anticipated of eliminating antipersonnel landmines from the United States inventory in accordance with the policy enunciated by the President on September 17, 1997.

(9) The benefits that would result to United States military and civilian personnel from an international treaty banning the production, use, transfer, and stockpiling of antipersonnel landmines.

TITLE XIV—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

Sec. 1401. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1402. Funding allocations.
Sec. 1403. Prohibition on use of funds for specified purposes.
Sec. 1404. Limitation on use of funds for projects related to START II Treaty until submission of certification.
Sec. 1405. Limitation on use of funds for chemical weapons destruction facility.
Sec. 1406. Limitation on use of funds for destruction of chemical weapons.
Sec. 1407. Limitation on use of funds for storage facility for Russian fissile material.
Sec. 1408. Limitation on use of funds for weapons storage security.
Sec. 1409. Report on issues regarding payment of taxes, duties, and other assessments on assistance provided to Russia under Cooperative Threat Reduction programs.
Sec. 1410. Availability of funds.

SEC. 1401. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for fiscal year 1997 (Public Law 104–201: 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 1998 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 1998 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

SEC. 1402. FUNDING ALLOCATIONS.

(a) IN GENERAL.—Of the fiscal year 1998 Cooperative Threat Reduction funds, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,900,000.

(2) For strategic nuclear arms elimination in Ukraine, $76,700,000.

(3) For fissile material containers in Russia, $7,000,000.

(4) For planning and design of a chemical weapons destruction facility in Russia, $35,400,000.

(5) For dismantlement of biological and chemical weapons facilities in the former Soviet Union, $20,000,000.

(6) For planning, design, and construction of a storage facility for Russian fissile material, $57,700,000.

(7) For weapons storage security in Russia, $36,000,000.

(8) For development of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $41,000,000.

(9) For activities designated as Defense and Military-to-Military Contacts in Russia, Ukraine, and Kazakhstan, $8,000,000.

(10) For military-to-military programs of the United States that focus on countering the threat of proliferation of weapons of mass destruction and that include the security forces of the independent states of the former Soviet Union other than Russia, Ukraine, Belarus, and Kazakstan, $2,000,000.

(11) For activities designated as Other Assessments/Administrative Support $20,500,000.

(b) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) If the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may, subject to paragraphs (2) and (3), obligate amounts for the purposes stated in any of the paragraphs of subsection (a) in excess of the amount specified for those purposes in that paragraph. However, the total amount obligated for the purposes stated in the paragraphs in subsection (a) may not by reason of the use of the authority provided in the preceding sentence exceed the sum of the amounts specified in those paragraphs.

(2) An obligation for the purposes stated in any of the paragraphs in subsection (a) in excess of the amount specified in that paragraph may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts appropriated for the purposes stated in any of paragraphs (3) through (11) of subsection (a) in excess of 115 percent of the amount stated in those paragraphs.

(c) LIMITED WAIVER OF 115 PERCENT CAP ON OBLIGATION IN EXCESS OF AMOUNTS AUTHORIZED FOR FISCAL YEARS 1996 AND 1997.—(1) The limitation in subsection (b)(1) of section 1202 of the National Defense Authorization Act For Fiscal Year 1996 (Public Law 104–106; 110 Stat. 469), that provides that the authority provided in that sentence to obligate amounts specified for Cooperative Threat Reduction purposes in excess of the amount specified for each such purpose in subsection (a) of that section may not exceed 115 percent of the amounts specified, shall not apply with respect to subsection (a)(1) of such section for purposes of strategic offensive weapons elimination in Russia or the Ukraine.

(2) The limitation in subsection (b)(1) of section 1502 of the National Defense Authorization Act For Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2732), that provides that the authority provided in that sentence to obligate amounts specified for Cooperative Threat Reduction purposes in excess of the amount specified for each such purpose in subsection (a) of that section may not exceed 115 percent of the amounts specified, shall not apply with respect to subsections (a)(2) and (a)(3) of such section.

SEC. 1403. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—No fiscal year 1998 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs for any prior fiscal year and remaining available for obligation, may be obligated or expended for any of the following purposes:

(1) Conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

(2) Provision of housing.

(3) Provision of assistance to promote environmental restoration.

(4) Provision of assistance to promote job retraining.

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to this Act may be obligated or expended for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion.

SEC. 1404. LIMITATION ON USE OF FUNDS FOR PROJECTS RELATED TO START II TREATY UNTIL SUBMISSION OF CERTIFICATION.

No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for strategic offensive arms elimination projects in Russia related to the START II Treaty (as defined in section 1302(f)) until 30 days after the date on which the Secretary of Defense submits to Congress a certification in writing that—

(1) implementation of the projects would benefit the national security interest of the United States; and

(2) Russia has agreed in an implementing agreement to share the cost for the projects.

SEC. 1405. LIMITATION ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION FACILITY.

(a) LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF NOTIFICATIONS TO CONGRESS.—No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for planning and design of a chemical weapons destruction facility until 15 days after the date that is the later of the following:

(1) The date on which the Secretary of Defense submits to Congress notification of an agreement between the United States and Russia with respect to such chemical weapons destruction facility that includes—

(A) an agreement providing for a limitation on the financial contribution by the United States for the facility;

(B) an agreement that the United States will not pay the costs for infrastructure determined

by Russia to be necessary to support the facility; and

(C) an agreement on the location of the facility.

(2) The date on which the Secretary of Defense submits to Congress notification that the Government of Russia has formally approved a plan—

(A) that allows for the destruction of chemical weapons in Russia; and

(B) that commits Russia to pay a portion of the cost for the facility.

(b) PROHIBITION ON USE OF FUNDS FOR FACILITY CONSTRUCTION.—No fiscal year 1998 Cooperative Threat Reduction funds authorized to be obligated in section 1402(a)(4) for planning and design of a chemical weapons destruction facility in Russia may be used for construction of such facility.

SEC. 1406. LIMITATION ON USE OF FUNDS FOR DESTRUCTION OF CHEMICAL WEAPONS.

(a) LIMITATION.—No funds authorized to be appropriated under this or any other Act for fiscal year 1998 for Cooperative Threat Reduction programs may be obligated or expended for chemical weapons destruction activities (including activities for the planning, design, or construction of a chemical weapons destruction facility or for the dismantlement of an existing chemical weapons production facility) until the President submits to Congress a written certification under subsection (b).

(b) PRESIDENTIAL CERTIFICATION.—A certification under this subsection is either of the following certifications by the President:

(1) A certification that—

(A) Russia is making reasonable progress toward the implementation of the Bilateral Destruction Agreement;

(B) the United States and Russia have made substantial progress toward the resolution, to the satisfaction of the United States, of outstanding compliance issues under the Wyoming Memorandum of Understanding and the Bilateral Destruction Agreement; and

(C) Russia has fully and accurately declared all information regarding its unitary and binary chemical weapons, chemical weapons facilities, and other facilities associated with chemical weapons.

(2) A certification that the national security interests of the United States could be undermined by a United States policy not to carry out chemical weapons destruction activities under the Cooperative Threat Reduction programs for which funds are authorized to be appropriated under this or any other Act for fiscal year 1998.

(c) DEFINITIONS.—For the purposes of this section:

(1) The term ''Bilateral Destruction Agreement'' means the Agreement Between the United States of America and the Union of Soviet Socialist Republics on Destruction and Nonproduction of Chemical Weapons and on Measures to Facilitate the Multilateral Convention on Banning Chemical Weapons, signed on June 1, 1990.

(2) The term ''Wyoming Memorandum of Understanding'' means the Memorandum of Understanding Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

SEC. 1407. LIMITATION ON USE OF FUNDS FOR STORAGE FACILITY FOR RUSSIAN FISSILE MATERIAL.

No fiscal year 1998 Cooperative Threat Reduction funds may be obligated or expended for planning, design, or construction of a storage facility for Russian fissile material until 15 days after the date that is the later of the following:

(1) The date on which the Secretary of Defense submits to Congress notification that an implementing agreement between the United States and Russia has been entered into that specifies the total cost to the United States for the facility.

(2) The date on which the Secretary submits to Congress notification that an agreement has been entered into between the United States and Russia incorporating the principle of transparency with respect to the use of the facility.

SEC. 1408. LIMITATION ON USE OF FUNDS FOR WEAPONS STORAGE SECURITY.

No fiscal year 1998 Cooperative Threat Reduction funds intended for weapons storage security activities in Russia may be obligated or expended until—

(1) the Secretary of Defense submits to Congress a report on the status of negotiations between the United States and Russia on audits and examinations with respect to weapons storage security; and

(2) 15 days have elapsed following the date that the report is submitted.

SEC. 1409. REPORT ON ISSUES REGARDING PAYMENT OF TAXES, DUTIES, AND OTHER ASSESSMENTS ON ASSISTANCE PROVIDED TO RUSSIA UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on issues regarding payment of taxes, duties, and other assessments on assistance provided to Russia under Cooperative Threat Reduction programs. The report shall include the following:

(1) A description of any disputes between the United States and Russia with respect to payment by the United States of taxes, duties and other assessments on assistance provided to Russia under a Cooperative Threat Reduction program, including a description of the nature of each dispute, the amount of payment disputed, whether the dispute was resolved, and if the dispute was resolved, the means by which the dispute was resolved.

(2) A description of the actions taken by the Secretary to prevent disputes in the future between the United States and Russia with respect to payment by the United States of taxes, duties, and other assessments on assistance provided to Russia under a Cooperative Threat Reduction program.

(3) A description of any agreement between the United States and Russia with respect to payment by the United States of taxes, duties, or other assessments on assistance provided to Russia under a Cooperative Threat Reduction program.

(4) Any proposals of the Secretary for actions that should be taken to prevent disputes between the United States and Russia with respect to payment by the United States of taxes, duties, or other assessments on assistance provided to Russia under a Cooperative Threat Reduction program.

SEC. 1410. AVAILABILITY OF FUNDS.

Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

TITLE XV—FEDERAL CHARTER FOR THE AIR FORCE SERGEANTS ASSOCIATION

Sec. 1501. Recognition and grant of Federal charter.
Sec. 1502. Powers.
Sec. 1503. Purposes.
Sec. 1504. Service of process.
Sec. 1505. Membership.
Sec. 1506. Board of directors.
Sec. 1507. Officers.
Sec. 1508. Restrictions.
Sec. 1509. Liability.
Sec. 1510. Maintenance and inspection of books and records.
Sec. 1511. Audit of financial transactions.
Sec. 1512. Annual report.
Sec. 1513. Reservation of right to alter, amend, or repeal charter.
Sec. 1514. Tax-exempt status required as condition of charter.
Sec. 1515. Termination.
Sec. 1516. Definition of State.

SEC. 1501. RECOGNITION AND GRANT OF FEDERAL CHARTER.

The Air Force Sergeants Association, a nonprofit corporation organized under the laws of the District of Columbia, is recognized as such and granted a Federal charter.

SEC. 1502. POWERS.

The Air Force Sergeants Association (in this title referred to as the ''association'') shall have only those powers granted to it through its bylaws and articles of incorporation filed in the District of Columbia and subject to the laws of the District of Columbia.

SEC. 1503. PURPOSES.

The purposes of the association are those provided in its bylaws and articles of incorporation and shall include the following:

(1) To help maintain a highly dedicated and professional corps of enlisted personnel within the United States Air Force, including the United States Air Force Reserve, and the Air National Guard.

(2) To support fair and equitable legislation and Department of the Air Force policies and to influence by lawful means departmental plans, programs, policies, and legislative proposals that affect enlisted personnel of the Regular Air Force, the Air Force Reserve, and the Air National Guard, its retirees, and other veterans of enlisted service in the Air Force.

(3) To actively publicize the roles of enlisted personnel in the United States Air Force.

(4) To participate in civil and military activities, youth programs, and fundraising campaigns that benefit the United States Air Force.

(5) To provide for the mutual welfare of members of the association and their families.

(6) To assist in recruiting for the United States Air Force.

(7) To assemble together for social activities.

(8) To maintain an adequate Air Force for our beloved country.

(9) To foster among the members of the association a devotion to fellow airmen.

(10) To serve the United States and the United States Air Force loyally, and to do all else necessary to uphold and defend the Constitution of the United States.

SEC. 1504. SERVICE OF PROCESS.

With respect to service of process, the association shall comply with the laws of the District of Columbia and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 1505. MEMBERSHIP.

Except as provided in section 1508(g), eligibility for membership in the association and the rights and privileges of members shall be as provided in the bylaws and articles of incorporation of the association.

SEC. 1506. BOARD OF DIRECTORS.

Except as provided in section 1508(g), the composition of the board of directors of the association and the responsibilities of the board shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the District of Columbia.

SEC. 1507. OFFICERS.

Except as provided in section 1508(g), the positions of officers of the association and the election of members to such positions shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the District of Columbia.

SEC. 1508. RESTRICTIONS.

(a) INCOME AND COMPENSATION.—No part of the income or assets of the association may inure to the benefit of any member, officer, or director of the association or be distributed to any such individual during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers and employees of the association or reimbursement for actual and necessary

expenses in amounts approved by the board of directors.

(b) LOANS.—The association may not make any loan to any member, officer, director, or employee of the association.

(c) ISSUANCE OF STOCK AND PAYMENT OF DIVIDENDS.—The association may not issue any shares of stock or declare or pay any dividends.

(d) DISCLAIMER OF CONGRESSIONAL OR FEDERAL APPROVAL.—The association may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities by virtue of this title.

(e) CORPORATE STATUS.—The association shall maintain its status as a corporation organized and incorporated under the laws of the District of Columbia.

(f) CORPORATE FUNCTION.—The association shall function as an educational, patriotic, civic, historical, and research organization under the laws of the District of Columbia.

(g) NONDISCRIMINATION.—In establishing the conditions of membership in the association and in determining the requirements for serving on the board of directors or as an officer of the association, the association may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

SEC. 1509. LIABILITY.

The association shall be liable for the acts of its officers, directors, employees, and agents whenever such individuals act within the scope of their authority.

SEC. 1510. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The association shall keep correct and complete books and records of account and minutes of any proceeding of the association involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The association shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the association.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the association may be inspected by any member having the right to vote in any proceeding of the association, or by any agent or attorney of such member, for any proper purpose at any reasonable time.

(d) APPLICATION OF STATE LAW.—This section may not be construed to contravene any applicable State law.

SEC. 1511. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled ''An Act to provide for audit of accounts of private corporations established under Federal law'', approved August 30, 1964 (36 U.S.C. 1101), is amended—

(1) by redesignating the paragraph (77) added by section 1811 of Public Law 104–201 (110 Stat. 2762) as paragraph (78); and

(2) by adding at the end the following:

''(79) Air Force Sergeants Association.''.

SEC. 1512. ANNUAL REPORT.

The association shall annually submit to Congress a report concerning the activities of the association during the preceding fiscal year. The annual report shall be submitted on the same date as the report of the audit required by reason of the amendment made in section 1511. The annual report shall not be printed as a public document.

SEC. 1513. RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER.

The right to alter, amend, or repeal this title is expressly reserved to Congress.

SEC. 1514. TAX-EXEMPT STATUS REQUIRED AS CONDITION OF CHARTER.

If the association fails to maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986 the charter granted in this title shall terminate.

SEC. 1515. TERMINATION.

The charter granted in this title shall expire if the association fails to comply with any of the provisions of this title.

SEC. 1516. DEFINITION OF STATE.

For purposes of this title, the term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1998''.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Correction in authorized uses of funds, Fort Irwin, California.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$27,000,000
Arizona	Fort Huachuca	$20,000,000
California	Fort Irwin	$11,150,000
	Naval Weapons Station, Concord	$23,000,000
Colorado	Fort Carson	$47,300,000
Georgia	Fort Gordon	$22,000,000
	Hunter Army Air Field, Fort Stewart	$54,000,000
Hawaii	Schofield Barracks	$44,000,000
Indiana	Crane Army Ammunition Activity	$7,700,000
Kansas	Fort Leavenworth	$63,000,000
	Fort Riley	$25,800,000
Kentucky	Fort Campbell	$53,600,000
	Fort Knox	$7,200,000
Missouri	Fort Leonard Wood	$3,200,000
New Jersey	Fort Monmouth	$2,050,000
New Mexico	White Sands Missile Range	$6,900,000
New York	Fort Drum	$24,400,000
North Carolina	Fort Bragg	$17,700,000
Oklahoma	Fort Sill	$25,000,000
South Carolina	Naval Weapons Station, Charleston	$7,700,000
Texas	Fort Bliss	$7,700,000
	Fort Hood	$27,200,000
	Fort Sam Houston	$16,000,000
Virginia	Fort A.P. Hill	$5,400,000
	Fort Myer	$8,200,000
	Fort Story	$2,050,000
Washington	Fort Lewis	$33,000,000
CONUS Classified	Classified Location	$6,500,000
	Total	$598,750,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Ansbach	$22,000,000

Army: Outside the United States—Continued

Country	Installation or Location	Amount
Korea	Heidelberg	$8,800,000
	Mannheim	$6,200,000
	Military Support Group, Kaiserslautern	$6,000,000
	Camp Casey	$5,100,000
	Camp Castle	$8,400,000
	Camp Humphreys	$32,000,000
	Camp Red Cloud	$23,600,000
	Camp Stanley	$7,000,000
Overseas Classified	Overseas Classified	$37,000,000
	Total	$156,100,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Arizona	Fort Huachuca	55 Units	$8,000,000
Hawaii	Schofield Barracks	132 Units	$26,600,000
Maryland	Fort Meade	56 Units	$7,900,000
New Jersey	Picatinny Arsenal	35 Units	$7,300,000
North Carolina	Fort Bragg	174 Units	$20,150,000
Texas	Fort Bliss	91 Units	$12,900,000
	Fort Hood	130 Units	$18,800,000
		Total	$101,650,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $9,550,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $86,100,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,010,466,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $435,350,000.

(2) For the military construction projects outside the United States authorized by section 2101(b), $156,100,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $7,400,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $65,577,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $197,300,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,145,339,000.

(6) For the construction of the National Range Control Center, White Sands Missile Range, New Mexico, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $18,000,000.

(7) For the construction of the whole barracks complex renewal, Fort Knox, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763), $22,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $14,400,000 (the balance of the amount authorized under section 2101(a) for the construction of the Force XXI Soldier Development School at Fort Hood, Texas);

(3) $24,000,000 (the balance of the amount authorized under section 2101(a) for rail yard expansion at Fort Carson, Colorado);

(4) $43,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a disciplinary barracks at Fort Leavenworth, Kansas);

(5) $42,500,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Hunter Army Airfield, Fort Stewart, Georgia);

(6) $17,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks at Fort Sill, Oklahoma);

(7) $14,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a missile software engineering facility at Redstone Arsenal, Alabama); and

(8) $8,500,000 (the balance of the amount authorized under section 2101(a) for the construction of an aerial gunnery range at Fort Drum, New York).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized in such paragraphs, reduced by $36,600,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2105. CORRECTION IN AUTHORIZED USES OF FUNDS, FORT IRWIN, CALIFORNIA.

The Secretary of the Army may carry out a military construction project at Fort Irwin, California, to construct a heliport for the National Training Center at Barstow-Daggett, California, using the following amounts:

(1) Amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3029) for a military construction project involving the construction of an air field at Fort Irwin, as authorized by section 2101(a) of such Act (108 Stat. 3027).

(2) Amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 524) for a military construction project involving the construction of an air field at Fort Irwin, as authorized by section 2101(a) of such Act (110 Stat. 523).

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Authorization of military construction project at Naval Station, Pascagoula, Mississippi, for which funds have been appropriated.
Sec. 2206. Increase in authorization for military construction projects at Naval Station Roosevelt Roads, Puerto Rico.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$12,250,000
	Navy Detachment, Camp Navajo	$11,426,000
California	Marine Corps Air Station, Camp Pendleton	$14,020,000
	Marine Corps Air Station, Miramar	$8,700,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	$3,810,000
	Marine Corps Base, Camp Pendleton	$60,069,000
	Naval Air Facility, El Centro	$11,000,000
	Naval Air Station, North Island	$19,600,000
	Naval Amphibious Base, Coronado	$10,100,000
	Naval Construction Battalion Center, Port Hueneme	$3,200,000
Connecticut	Naval Submarine Base, New London	$21,960,000
Florida	Naval Air Station, Jacksonville	$3,480,000
	Naval Air Station, Whiting Field	$1,300,000
	Naval Station, Mayport	$17,940,000
Hawaii	Fort DeRussey	$9,500,000
	Marine Corps Air Station, Kaneohe Bay	$19,000,000
	Naval Communications and Telecommunications Area Master Station Eastern Pacific, Honolulu	$3,900,000
	Naval Station, Pearl Harbor	$25,000,000
Illinois	Naval Training Center, Great Lakes	$41,220,000
Indiana	Naval Surface Warfare Center, Crane	$4,120,000
Maryland	Naval Electronics System Command, St. Ingoes	$2,610,000
Mississippi	Naval Air Station, Meridian	$7,050,000
North Carolina	Marine Corps Air Station, Cherry Point	$8,800,000
	Marine Corps Air Station, New River	$19,900,000
Rhode Island	Naval Undersea Warfare Center Division, Newport	$8,900,000
South Carolina	Marine Corps Air Station, Beaufort	$17,730,000
	Marine Corps Reserve Detachment Parris Island	$3,200,000
Texas	Naval Air Station, Corpus Christi	$800,000
Virginia	AEGIS Training Center, Dahlgren	$6,600,000
	Fleet Combat Training Center, Dam Neck	$7,000,000
	Naval Air Station, Norfolk	$18,240,000
	Naval Air Station, Oceana	$28,000,000
	Naval Amphibious Base, Little Creek	$8,685,000
	Naval Shipyard, Norfolk, Portsmouth	$29,410,000
	Naval Station, Norfolk	$18,850,000
	Naval Surface Warfare Center, Dahlgren	$13,880,000
	Naval Weapons Station, Yorktown	$14,547,000
Washington	Naval Air Station, Whidbey Island	$1,100,000
	Puget Sound Naval Shipyard, Bremerton	$4,400,000
	Total	$521,297,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Bahrain	Administrative Support Unit, Bahrain	$30,100,000
Guam	Naval Communications and Telecommunications Area Master Station Western Pacific, Guam	$4,050,000
Italy	Naval Air Station, Sigonella	$21,440,000
	Naval Support Activity, Naples	$8,200,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$2,330,000
	Total	$66,120,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
California	Marine Corps Air Station, Miramar	166 Units	$28,881,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	132 Units	$23,891,000
	Marine Corps Base, Camp Pendleton	171 Units	$22,518,000
	Naval Air Station, Lemoore	128 Units	$23,226,000
	Naval Complex, San Diego	94 Units	$13,500,000
Hawaii	Naval Complex, Pearl Harbor	72 Units	$13,000,000
Louisiana	Naval Complex, New Orleans	100 Units	$11,930,000
Texas	Naval Complex, Kingsville and Corpus Christi	212 Units	$22,250,000
Washington	Naval Air Station, Whidbey Island	102 Units	$16,000,000
		Total	$175,196,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $15,100,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $203,536,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,027,339,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $521,297,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $66,120,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,460,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $46,489,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $393,832,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $976,504,000.

(6) For construction of a bachelor enlisted quarters at Naval Hospital, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766), $5,200,000.

(7) For construction of a bachelor enlisted quarters at Naval Station, Roosevelt Roads, Puerto Rico, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2767), $14,600,000.

(8) For construction of a large anecohic chamber facility at Patuxent River Naval Air Warfare Center, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2590), $9,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (8) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $8,463,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $8,700,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2205. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT NAVAL STATION, PASCAGOULA, MISSISSIPPI, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2766) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof ''$594,982,000''; and

(2) by inserting after the item relating to Stennis Space Center, Mississippi, the following new item:

	''Naval Station, Pascagoula	*$4,990,000''.*

(b) CONFORMING AMENDMENTS.—Section 2204(a) of such Act (110 Stat. 2769) is amended—

(1) in the matter preceding the paragraphs, by striking out ''$2,213,731,000'' and inserting in lieu thereof ''$2,218,721,000''; and

(2) in paragraph (1), by striking out ''$579,312,000'' and inserting in lieu thereof ''$584,302,000''.

SEC. 2206. INCREASE IN AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECTS AT NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.

(a) INCREASE.—The table in section 2201(b) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2767) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof ''$66,150,000''; and

(2) in the amount column of the item relating to Naval Station, Roosevelt Roads, Puerto Rico, by striking out ''$23,600,000'' and inserting in lieu thereof ''$24,100,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(4) of such Act (110 Stat. 2770) is amended by striking out ''$14,100,000'' and inserting in lieu thereof ''$14,600,000''.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Authorization of military construction project at McConnell Air Force Base, Kansas, for which funds have been appropriated.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alabama	Maxwell Air Force Base	$14,874,000
Alaska	Clear Air Station	$67,069,000
	Eielson Air Force Base	$13,764,000
	Elmendorf Air Force Base	$6,100,000
	Indian Mountain	$1,991,000
Arizona	Luke Air Force Base	$10,000,000
Arkansas	Little Rock Air Force Base	$3,400,000
California	Edwards Air Force Base	$2,887,000
	Vandenberg Air Force Base	$26,876,000
Colorado	Buckley Air National Guard Base	$6,718,000
	Falcon Air Force Station	$10,551,000
	Peterson Air Force Base	$4,081,000
	United States Air Force Academy	$15,229,000
Florida	Eglin Auxiliary Field 9	$6,470,000
	MacDill Air Force Base	$9,643,000
Georgia	Moody Air Force Base	$6,800,000
	Robins Air Force Base	$27,763,000
Idaho	Mountain Home Air Force Base	$30,669,000
Kansas	McConnell Air Force Base	$14,519,000
Louisiana	Barksdale Air Force Base	$19,410,000
Mississippi	Keesler Air Force Base	$30,855,000
Missouri	Whiteman Air Force Base	$17,419,000
Montana	Malmstrom Air Force Base	$4,500,000
Nevada	Nellis Air Force Base	$1,950,000
New Jersey	McGuire Air Force Base	$18,754,000
New Mexico	Kirtland Air Force Base	$20,300,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
North Carolina	Pope Air Force Base	$10,956,000
North Dakota	Grand Forks Air Force Base	$8,560,000
	Minot Air Force Base	$5,200,000
Ohio	Wright-Patterson Air Force Base	$19,350,000
Oklahoma	Altus Air Force Base	$11,000,000
	Tinker Air Force Base	$9,655,000
	Vance Air Force Base	$7,700,000
South Carolina	Shaw Air Force Base	$6,072,000
South Dakota	Ellsworth Air Force Base	$6,600,000
Tennessee	Arnold Air Force Base	$20,650,000
Texas	Dyess Air Force Base	$10,000,000
	Laughlin Air Force Base	$4,800,000
	Randolph Air Force Base	$2,488,000
Utah	Hill Air Force Base	$6,470,000
Virginia	Langley Air Force Base	$4,031,000
Washington	Fairchild Air Force Base	$20,316,000
	McChord Air Force Base	$6,470,000
CONUS Classified	Classified Location	$6,175,000
	Total	$559,085,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Spangdahlem Air Base	$18,500,000
Italy	Aviano Air Base	$15,220,000
Korea	Kunsan Air Base	$10,325,000
Portugal	Lajes Field, Azores	$4,800,000
United Kingdom	Royal Air Force, Lakenheath	$11,400,000
Overseas Classified	Classified Location	$29,100,000
	Total	$89,345,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
California	Edwards Air Force Base	51 Units	$8,500,000
	Travis Air Force Base	70 Units	$9,714,000
	Vandenberg Air Force Base	108 Units	$17,100,000
Delaware	Dover Air Force Base	Ancillary Facility	$831,000
District of Columbia	Bolling Air Force Base	46 Units	$5,100,000
Florida	MacDill Air Force Base	58 Units	$10,000,000
	Tyndall Air Force Base	32 Units	$4,200,000
Georgia	Robins Air Force Base	60 Units	$6,800,000
Idaho	Mountain Home Air Force Base	60 Units	$11,032,000
Kansas	McConnell Air Force Base	19 Units	$2,951,000
	McConnell Air Force Base	Ancillary Facility	$581,000
Mississippi	Columbus Air Force Base	50 Units	$6,200,000
	Keesler Air Force Base	40 Units	$5,000,000
Montana	Malmstrom Air Force Base	100 Units	$17,842,000
New Mexico	Kirtland Air Force Base	180 Units	$20,900,000
North Dakota	Grand Forks Air Force Base	42 Units	$7,936,000
Texas	Dyess Air Force Base	70 Units	$10,503,000
	Goodfellow Air Force Base	3 Units	$500,000
	Lackland Air Force Base	50 Units	$7,400,000
Wyoming	F. E. Warren Air Force Base	52 Units	$6,853,000
		Total	$159,943,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,971,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $123,795,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,791,640,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $559,085,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $89,345,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,545,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $44,880,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $295,709,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $830,234,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $23,858,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(2) $12,300,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2305. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECT AT MCCONNELL AIR FORCE BASE, KANSAS, FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) AUTHORIZATION.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2771) is amended—

(1) by striking out the amount identified as the total and inserting in lieu thereof ''$610,534,000''; and

(2) in the amount column of the item relating to McConnell Air Force Base, Kansas, by striking out ''$19,130,000'' and inserting in lieu thereof ''$25,830,000''.

(b) CONFORMING AMENDMENTS.—Section 2304(a) of such Act (110 Stat. 2774) is amended—

(1) in the matter preceding paragraph (1), by striking out ''$1,894,594,000'' and inserting in lieu thereof ''$1,901,294,000'' and

(2) in paragraph (1), by striking out ''$603,834,000'' and inserting in lieu thereof ''$610,534,000''.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.

Sec. 2402. Military housing planning and design.

Sec. 2403. Improvements to military family housing units.

Sec. 2404. Energy conservation projects.

Sec. 2405. Authorization of appropriations, Defense Agencies.

Sec. 2406. Clarification of authority relating to fiscal year 1997 project at Naval Station, Pearl Harbor, Hawaii.

Sec. 2407. Correction in authorized uses of funds, McClellan Air Force Base, California.

Sec. 2408. Modification of authority to carry out certain fiscal year 1995 projects.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	*Installation or Location*	*Amount*
Defense Commissary Agency	*Fort Lee, Virginia*	*$9,300,000*
Defense Finance and Accounting Service	*Columbus Center, Ohio*	*$9,722,000*
	Naval Air Station, Millington, Tennessee	*$6,906,000*
	Naval Station, Norfolk, Virginia	*$12,800,000*
	Naval Station, Pearl Harbor, Hawaii	*$10,000,000*
Defense Intelligence Agency	*Bolling Air Force Base, District of Columbia*	*$7,000,000*
	Redstone Arsenal, Alabama	*$32,700,000*
Defense Logistics Agency	*Defense Distribution Depot—DDNV, Virginia*	*$16,656,000*
	Defense Distribution New Cumberland—DDSP, Pennsylvania	*$15,500,000*
	Defense Fuel Support Point, Craney Island, Virginia	*$22,100,000*
	Defense General Supply Center, Richmond (DLA), Virginia	*$5,200,000*
	Elmendorf Air Force Base, Alaska	*$21,700,000*
	Naval Air Station, Jacksonville, Florida	*$9,800,000*
	Truax Field, Wisconsin	*$4,500,000*
	Westover Air Reserve Base, Massachusetts	*$4,700,000*
	CONUS Various, CONUS Various	*$11,275,000*
Defense Medical Facilities Office	*Fort Campbell, Kentucky*	*$13,600,000*
	Fort Detrick, Maryland	*$4,650,000*
	Fort Lewis, Washington	*$5,000,000*
	Hill Air Force Base, Utah	*$3,100,000*
	Holloman Air Force Base, New Mexico	*$3,000,000*
	Lackland Air Force Base, Texas	*$3,000,000*
	Marine Corps Combat Development Command, Quantico, Virginia	*$19,000,000*
	McGuire Air Force Base, New Jersey	*$35,217,000*
	Naval Air Station, Pensacola, Florida	*$2,750,000*
	Naval Station, Everett, Washington	*$7,500,000*
	Naval Station, San Diego, California	*$2,100,000*
	Naval Submarine Base, New London, Connecticut	*$2,300,000*
	Robins Air Force Base, Georgia	*$19,000,000*
	Wright-Patterson Air Force Base, Ohio	*$2,750,000*
National Security Agency	*Fort Meade, Maryland*	*$29,700,000*
Special Operations Command	*Eglin Auxiliary Field 9, Florida*	*$8,550,000*
	Fort Benning, Georgia	*$12,314,000*
	Fort Bragg, North Carolina	*$9,800,000*
	Mississippi Army Ammunition Plant, Mississippi	*$9,900,000*
	Naval Station, Pearl Harbor, Hawaii	*$7,400,000*
	Naval Amphibious Base, Coronado, California	*$7,400,000*
	Total	*$407,890,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installation and location outside the United States, and in the amount, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Amount
Defense Logistics Agency	Defense Fuel Support Point, Guam	$16,000,000
	Total	$16,000,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(13)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $50,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(13)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $4,900,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(11), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $2,743,670,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $407,890,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $16,000,000.

(3) For military construction projects at Anniston Army Depot, Alabama, ammunition demilitarization facility, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of the Public Law 102–484; 106 Stat. 2587), which was originally authorized as an Army construction project, but which became a Defense Agencies construction project by reason of the amendments made by section 142 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2689), $9,900,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $20,000,000.

(5) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539) and section 2408(2) of this Act, $57,427,000.

(6) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 535), $14,200,000.

(7) For military construction projects at Naval Hospital, Portsmouth, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $17,000,000.

(8) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $4,000,000.

(9) For unspecified minor construction projects under section 2805 of title 10, United States Code, $26,075,000.

(10) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $48,850,000.

(11) For energy conservation projects authorized by section 2404, $25,000,000.

(12) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $2,060,854,000.

(13) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,950,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $32,724,000 of which not more than $27,673,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (13) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $1,200,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States.

SEC. 2406. CLARIFICATION OF AUTHORITY RELATING TO FISCAL YEAR 1997 PROJECT AT NAVAL STATION, PEARL HARBOR, HAWAII.

The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775) is amended in the item relating to Special Operations Command, Naval Station, Ford Island, Pearl Harbor, Hawaii, in the installation or location column by striking out ''Naval Station, Ford Island, Pearl Harbor, Hawaii'' and inserting in lieu thereof ''Naval Station, Pearl Harbor, Hawaii''.

SEC. 2407. CORRECTION IN AUTHORIZED USES OF FUNDS, MCCLELLAN AIR FORCE BASE, CALIFORNIA.

(a) AUTHORITY TO USE PRIOR YEAR FUNDS.—The Secretary of Defense may carry out the military construction projects referred to in subsection (b), in the amounts specified in that subsection, using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3042) for a military construction project involving the upgrade of the hospital facility at McClellan Air Force Base, California, as authorized by section 2401 of such Act (108 Stat. 3040).

(b) COVERED PROJECTS.—Funds available under subsection (a) may be used for military construction projects as follows:

(1) Construction of an addition to the Aeromedical Clinic at Anderson Air Base, Guam, $3,700,000.

(2) Construction of an occupational health clinic facility at Tinker Air Force Base, Oklahoma, $6,500,000.

SEC. 2408. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out ''$115,000,000'' in the amount column and inserting in lieu thereof ''$134,000,000''; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out ''$186,000,000'' in the amount column and inserting in lieu thereof ''$187,000,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1997, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $152,600,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Authorization of military construction projects for which funds have been appropriated.
Sec. 2603. Army Reserve construction project, Camp Williams, Utah.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) IN GENERAL.—There are authorized to be appropriated for fiscal years beginning after September 30, 1997, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $113,750,000; and

(B) for the Army Reserve, $66,267,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $47,329,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $190,444,000; and

(B) for the Air Force Reserve, $30,243,000.

(b) ADJUSTMENT.—The amount authorized to be appropriated pursuant to subsection (a)(1)(B) is reduced by $7,900,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2602. AUTHORIZATION OF MILITARY CONSTRUCTION PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED.

(a) ARMY NATIONAL GUARD, HILO, HAWAII.—Paragraph (1)(A) of section 2601 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2780) is amended by striking out ''$59,194,000'' and inserting in lieu thereof ''$65,094,000'' to account for a project involving additions and alterations to an Army aviation support facility in Hilo, Hawaii.

(b) NAVAL AND MARINE CORPS RESERVE, NEW ORLEANS.—Paragraph (2) of such section is amended by striking out ''$32,779,000'' and inserting in lieu thereof ''$37,579,000'' to account for a project for the construction of a bachelor enlisted quarters at Naval Air Station, New Orleans, Louisiana.

SEC. 2603. ARMY RESERVE CONSTRUCTION PROJECT, CAMP WILLIAMS, UTAH.

With regard to the military construction project for the Army Reserve concerning construction of a reserve center and organizational maintenance shop at Camp Williams, Utah, to be carried out using funds appropriated pursuant to the authorization of appropriations in section 2601(a)(1)(B), the Secretary of the Army shall enter into an agreement with the State of Utah under which the State agrees to provide financial or in-kind contributions toward land acquisition, site preparation, and relocation costs in connection with the project.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1995 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1994 projects.
Sec. 2704. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2705. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2706. Extension of availability of funds for construction of relocatable over-the-horizon radar, Naval Station Roosevelt Roads, Puerto Rico.
Sec. 2707. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2000; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2001.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2000; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2001 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1995 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3046), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2201, 2202, 2301, 2302, 2401, or 2601 of such Act, shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1995 Project Authorization

State	Installation or location	Project	Amount
California	Fort Irwin	National Training Center Airfield Phase I	$10,000,000

Navy: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
Maryland	Indian Head Naval Surface Warfare Center	Upgrade Power Plant	$4,000,000
	Indian Head Naval Surface Warfare Center	Denitrification/Acid Mixing Facility	$6,400,000
Virginia	Norfolk Marine Corps Security Force Battalion Atlantic	Bachelor Enlisted Quarters	$6,480,000
Washington	Naval Station, Everett	New Construction (Housing Office)	$780,000
CONUS Classified	Classified Location	Aircraft Fire and Rescue and Vehicle Maintenance Facilities	$2,200,000

Air Force: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
California	Beale Air Force Base	Consolidated Support Center	$10,400,000
	Los Angeles Air Force Station	Family Housing (50 units)	$8,962,000
North Carolina	Pope Air Force Base	Combat Control Team Facility	$2,450,000
	Pope Air Force Base	Fire Training Facility	$1,100,000

Defense Agencies: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
Alabama	Anniston Army Depot	Carbon Filtration System	$5,000,000
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Facility	$115,000,000
California	Defense Contract Management Area Office, El Segundo	Administrative Building	$5,100,000
Oregon	Umatilla Army Depot	Ammunition Demilitarization Facility	$186,000,000

Army National Guard: Extension of 1995 Project Authorizations

State	Installation or location	Project	Amount
California	Camp Roberts	Modify Record Fire/ Maintenance Shop	$3,910,000
	Camp Roberts	Combat Pistol Range	$952,000
Pennsylvania	Fort Indiantown Gap	Barracks	$6,200,000

Naval Reserve: Extension of 1995 Project Authorization

State	Installation or location	Project	Amount
Georgia	Naval Air Station Marietta	Training Center	$2,650,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160, 107 Stat. 1880), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2201 or 2601 of such Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2783), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1994 Project Authorizations

State	*Installation or Location*	*Project*	*Amount*
California	*Camp Pendleton Marine Corps Base*	*Sewage Facility*	*$7,930,000*
Connecticut	*New London Naval Submarine Base*	*Hazardous Waste Transfer Facility*	*$1,450,000*

Army National Guard: Extension of 1994 Project Authorization

State	***Installation or Location***	***Project***	***Amount***
New Mexico	*White Sands Missile Range*	*MATES*	*$3,570,000*

SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), the authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of such Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541) and section 2703 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2784), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorization

State	*Installation or location*	*Project*	*Amount*
Arkansas	*Pine Bluff Arsenal*	*Ammunition Demilitarization Support Facility*	*$15,000,000*

Army National Guard: Extension of 1993 Project Authorization

State	*Installation or Location*	*Project*	*Amount*
Alabama	*Union Springs*	*Armory*	*$813,000*

SEC. 2705. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the table in subsection (b), as provided in section 2101 of such Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), section 2703 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 543), and section 2704 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2785), shall remain in effect until October 1, 1998, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1992 Project Authorizations

State	*Installation or location*	*Project*	*Amount*
Oregon	*Umatilla Army Depot*	*Ammunition Demilitarization Support Facility*	*$3,600,000*
	Umatilla Army Depot	*Ammunition Demilitarization Utilities*	*$7,500,000*

SEC. 2706. EXTENSION OF AVAILABILITY OF FUNDS FOR CONSTRUCTION OF RELOCATABLE OVER-THE-HORIZON RADAR, NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.

Amounts appropriated under the heading ''DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE'' in title VI of the Department of Defense Appropriations Act, 1995 (Public Law 103–335; 108 Stat. 2615), and transferred to the ''Military Construction, Navy'' appropriation for construction of a relocatable over-the-horizon radar at Naval Station Roosevelt Roads, Puerto Rico, shall remain available for that purpose until the later of—

(1) October 1, 1998; or

(2) the date of enactment of an Act authorizing funds for military construction for fiscal year 1999.

SEC. 2707. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1997; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Use of mobility enhancement funds for unspecified minor construction.
Sec. 2802. Limitation on use of operation and maintenance funds for facility repair projects.
Sec. 2803. Leasing of military family housing, United States Southern Command, Miami, Florida.
Sec. 2804. Use of financial incentives provided as part of energy savings and water conservation activities.
Sec. 2805. Congressional notification requirements regarding use of Department of Defense housing funds for investments in nongovernmental entities.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Increase in ceiling for minor land acquisition projects.
Sec. 2812. Permanent authority regarding conveyance of utility systems.
Sec. 2813. Administrative expenses for certain real property transactions.
Sec. 2814. Screening of real property to be conveyed by Department of Defense.
Sec. 2815. Disposition of proceeds from sale of Air Force Plant 78, Brigham City, Utah.
Sec. 2816. Fire protection and hazardous materials protection at Fort Meade, Maryland.

Subtitle C—Defense Base Closure and Realignment

Sec. 2821. Consideration of military installations as sites for new Federal facilities.
Sec. 2822. Adjustment and diversification assistance to enhance performance of military family support services by private sector sources.
Sec. 2823. Security, fire protection, and other services at property formerly associated with Red River Army Depot, Texas.
Sec. 2824. Report on closure and realignment of military installations.
Sec. 2825. Sense of Senate regarding utilization of savings derived from base closure process.
Sec. 2826. Prohibition against certain conveyances of property at Naval Station, Long Beach, California.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. [S2820. Land conveyance, Army Reserve Center, Greensboro, Alabama.
Sec. 2832. [H2831. Land conveyance, James T. Coker Army Reserve Center, Durant, Oklahoma.
Sec. 2833. Land conveyance, Gibson Army Reserve Center, Chicago, Illinois.
Sec. 2834. Land conveyance, Fort A. P. Hill, Virginia.
Sec. 2835. Land conveyances, Fort Dix, New Jersey.
Sec. 2836. Land conveyances, Fort Bragg, North Carolina.
Sec. 2837. Land conveyance, Hawthorne Army Ammunition Depot, Mineral County, Nevada.
Sec. 2838. Expansion of land conveyance authority, Indiana Army Ammunition Plant, Charlestown, Indiana.
Sec. 2839. Modification of land conveyance, Lompoc, California.
Sec. 2840. Modification of land conveyance, Rocky Mountain Arsenal, Colorado.
Sec. 2841. Correction of land conveyance authority, Army Reserve Center, Anderson, South Carolina.

PART II—NAVY CONVEYANCES

Sec. 2851. Land conveyance, Topsham Annex, Naval Air Station, Brunswick, Maine.
Sec. 2852. Land conveyance, Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.
Sec. 2853. Correction of lease authority, Naval Air Station, Meridian, Mississippi.

PART III—AIR FORCE CONVEYANCES

Sec. 2861. [H2861. Land transfer, Eglin Air Force Base, Florida.
Sec. 2862. [H2863. Land conveyance, March Air Force Base, California.
Sec. 2863. [H2864/S2818. Land conveyance, Ellsworth Air Force Base, South Dakota.
Sec. 2864. Land conveyance, Hancock Field, Syracuse, New York.
Sec. 2865. Land conveyance, Havre Air Force Station, Montana, and Havre Training Site, Montana.
Sec. 2866. Land conveyance, Charleston Family Housing Complex, Bangor, Maine.
Sec. 2867. Study of land exchange options, Shaw Air Force Base, South Carolina.

Subtitle E—Other Matters

Sec. 2871. Repeal of requirement to operate Naval Academy dairy farm.
Sec. 2872. Long-term lease of property, Naples, Italy.
Sec. 2873. [H2883. Designation of military family housing at Lackland Air Force Base, Texas, in honor of Frank Tejeda, a former Member of the House of Representatives.
Sec. 2874. Fiber-optics based telecommunications linkage of military installations.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. USE OF MOBILITY ENHANCEMENT FUNDS FOR UNSPECIFIED MINOR CONSTRUCTION.

(a) CONGRESSIONAL NOTIFICATION.—Subsection (b)(1) of section 2805 of title 10, United States Code, is amended by adding at the end the following new sentence: ''This paragraph shall apply even though the project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.''.

(b) RESTRICTION ON USE OF OPERATION AND MAINTENANCE FUNDS.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking out ''paragraph (2)'' and inserting in lieu thereof ''paragraphs (2) and (3)''; and

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

''(3) The limitations specified in paragraph (1) shall not apply to an unspecified minor military construction project if the project is to be carried out using funds made available to enhance the deployment and mobility of military forces and supplies.''.

(c) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a)(1)—

(A) by striking out ''minor military construction projects'' in the first sentence and inserting in lieu thereof ''unspecified minor military construction projects'';

(B) by striking out ''A minor'' in the second sentence and inserting in lieu thereof ''An unspecified minor''; and

(C) by striking out ''a minor'' in the last sentence and inserting in lieu thereof ''an unspecified minor'';

(2) in subsection (b)(1), by striking out ''A minor'' and inserting in lieu thereof ''An unspecified minor'';

(3) in subsection (b)(2), by striking out ''a minor'' and inserting in lieu thereof ''an unspecified minor''; and

(4) in subsection (c), by striking out ''unspecified military'' each place it appears and inserting in lieu thereof ''unspecified minor military''.

SEC. 2802. LIMITATION ON USE OF OPERATION AND MAINTENANCE FUNDS FOR FACILITY REPAIR PROJECTS.

Section 2811 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(d) CONGRESSIONAL NOTIFICATION.—When a decision is made to carry out a repair project under this section with an estimated cost in excess of $10,000,000, the Secretary concerned shall submit to the appropriate committees of Congress a report containing—

''(1) the justification for the repair project and the current estimate of the cost of the project; and

''(2) the justification for carrying out the project under this section.

''(e) REPAIR PROJECT DEFINED.—In this section, the term 'repair project' means a project to restore a real property facility, system, or component to such a condition that it may effectively be used for its designated functional purpose.''.

SEC. 2803. LEASING OF MILITARY FAMILY HOUSING, UNITED STATES SOUTHERN COMMAND, MIAMI, FLORIDA.

(a) LEASES TO EXCEED MAXIMUM RENTAL.—Section 2828(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking out ''paragraph (3)'' and inserting in lieu thereof ''paragraphs (3) and (4)'';

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) The Secretary of the Army may lease not more than eight housing units in the vicinity of Miami, Florida, for key and essential personnel, as designated by the Secretary, for the United States Southern Command for which the expenditure for the rental of such units (including the cost of utilities, maintenance, and operation, including security enhancements) exceeds the expenditure limitations in paragraphs (2) and (3). The total amount for all leases under this paragraph may not exceed $280,000 per year, and no lease on any individual housing unit may exceed $60,000 per year.''.

(b) CONFORMING AMENDMENT.—Paragraph (5) of such section, as redesignated by subsection (a)(2), is amended by striking out ''paragraphs (2) and (3)'' and inserting in lieu thereof ''paragraphs (2), (3), and (4)''.

SEC. 2804. USE OF FINANCIAL INCENTIVES PROVIDED AS PART OF ENERGY SAVINGS AND WATER CONSERVATION ACTIVITIES.

(a) ENERGY SAVINGS.—Section 2865 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking out ''and financial incentives described in subsection (d)(2)'';

(B) in paragraph (2), by striking out ''section 2866(b)'' both places it appears and inserting in lieu thereof ''section 2866(a)(3)''; and

(C) by adding at the end the following new paragraph:

''(3) Financial incentives received from gas or electric utilities under subsection (d)(2), and from utilities for management of water demand or water conservation under section 2866(a)(2) of this title, shall be credited to an appropriation designated by the Secretary of Defense. Amounts so credited shall be merged with the appropriation to which credited and shall be available for the same purposes and the same period as the appropriation with which merged.''; and

(2) in subsection (f), by adding at the end the following new sentence: ''The Secretary shall also include in each report the types and amount of financial incentives received under subsection (d)(2) and section 2866(a)(2) of this title during the period covered by the report and the appropriation account or accounts to which the incentives were credited.''.

(b) WATER CONSERVATION.—Section 2866(b) of such title is amended to read as follows:

''(b) USE OF FINANCIAL INCENTIVES AND WATER COST SAVINGS.—(1) Financial incentives received under subsection (a)(2) shall be used as provided in section 2865(b)(3) of this title.

''(2) Water cost savings realized under subsection (a)(3) shall be used as provided in section 2865(b)(2) of this title.''.

SEC. 2805. CONGRESSIONAL NOTIFICATION REQUIREMENTS REGARDING USE OF DEPARTMENT OF DEFENSE HOUSING FUNDS FOR INVESTMENTS IN NONGOVERNMENTAL ENTITIES.

Section 2875 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) CONGRESSIONAL NOTIFICATION REQUIRED.—Amounts in the Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund may be used to make a cash investment under this section in a nongovernmental entity only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the investment to the appropriate committees of Congress.''.

Subtitle B—Real Property And Facilities Administration

SEC. 2811. INCREASE IN CEILING FOR MINOR LAND ACQUISITION PROJECTS.

(a) INCREASE.—Section 2672 of title 10, United States Code, is amended by striking out ''$200,000'' both places it appears in subsection (a) and inserting in lieu thereof ''$500,000''.

(b) CLERICAL AMENDMENTS.—(1) The section heading for such section is amended to read as follows:

''§ 2672. Acquisition: interests in land when cost is not more than $500,000''.

(2) The table of sections at the beginning of chapter 159 of such title is amended by striking out the item relating to section 2672 and inserting in lieu thereof the following new item:

''2672. Acquisition: interests in land when cost is not more than $500,000.''.

SEC. 2812. PERMANENT AUTHORITY REGARDING CONVEYANCE OF UTILITY SYSTEMS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2687 the following new section:

''§ 2688. Utility systems: conveyance authority

''(a) CONVEYANCE AUTHORITY.—The Secretary of a military department may convey a utility system, or part of a utility system, under the jurisdiction of the Secretary to a municipal, private, regional, district, or cooperative utility company or other entity. The conveyance may consist of all right, title, and interest of the United States in the utility system or such lesser estate as the Secretary considers appropriate to serve the interests of the United States.

''(b) SELECTION OF CONVEYEE.—If more than one utility or entity referred to in subsection (a) notifies the Secretary concerned of an interest in a conveyance under such subsection, the Secretary shall carry out the conveyance through the use of competitive procedures.

''(c) CONSIDERATION.—(1) The Secretary concerned shall require as consideration for a conveyance under subsection (a) an amount equal to the fair market value (as determined by the Secretary) of the right, title, or interest of the United States conveyed. The consideration may take the form of—

''(A) a lump sum payment; or

''(B) a reduction in charges for utility services provided by the utility or entity concerned to the military installation at which the utility system is located.

''(2) If the utility services proposed to be provided as consideration under paragraph (1) are subject to regulation by a Federal or State agency, any reduction in the rate charged for the utility services shall be subject to establishment or approval by that agency.

''(d) TREATMENT OF PAYMENTS.—(1) A lump sum payment received under subsection (c) shall be credited, at the election of the Secretary concerned—

''(A) to an appropriation of the military department concerned available for the procurement of the same utility services as are provided by the utility system conveyed under this section;

''(B) to an appropriation of the military department available for carrying out energy savings projects or water conservation projects; or

''(C) to an appropriation of the military department available for improvements to other utility systems.

''(2) Amounts so credited shall be merged with funds in the appropriation to which credited and shall be available for the same purposes, and subject to the same conditions and limitations, as the appropriation with which merged.

''(e) NOTICE-AND-WAIT REQUIREMENT.—The Secretary concerned may not make a conveyance under subsection (a) until—

''(1) the Secretary submits to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) demonstrating that—

''(A) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States; and

''(B) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned; and

''(2) a period of 21 days has elapsed after the date on which the economic analysis is received by the committees.

''(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

''(g) UTILITY SYSTEM DEFINED.—(1) In this section, the term 'utility system' means any of the following:

''(A) A system for the generation and supply of electric power.

''(B) A system for the treatment or supply of water.

''(C) A system for the collection or treatment of wastewater.

''(D) A system for the generation or supply of steam, hot water, and chilled water.

''(E) A system for the supply of natural gas.

''(F) A system for the transmission of telecommunications.

''(2) The term 'utility system' includes the following:

''(A) Equipment, fixtures, structures, and other improvements utilized in connection with a system referred to in paragraph (1).

''(B) Easements and rights-of-ways associated with a system referred to in that paragraph.

''(h) LIMITATION.—This section shall not apply to projects constructed or operated by the Army Corps of Engineers under its civil works authorities.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2687 the following new item:

''2688. Utility systems: conveyance authority.''.

SEC. 2813. ADMINISTRATIVE EXPENSES FOR CERTAIN REAL PROPERTY TRANSACTIONS.

(a) ACCEPTANCE AUTHORIZED.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions

''(a) AUTHORITY TO ACCEPT.—In connection with a real property transaction referred to in subsection (b) with a non-Federal person or entity, the Secretary of a military department may accept amounts provided by the person or entity to cover administrative expenses incurred by the Secretary in entering into the transaction.

''(b) COVERED TRANSACTIONS.—Subsection (a) applies to the following transactions:

''(1) The exchange of real property.

''(2) The grant of an easement over, in, or upon real property of the United States.

''(3) The lease or license of real property of the United States.

''(c) USE OF AMOUNTS COLLECTED.—Amounts collected under subsection (a) for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by adding at the end the following new item:

''2695. Acceptance of funds to cover administrative expenses relating to certain real property transactions.''.

SEC. 2814. SCREENING OF REAL PROPERTY TO BE CONVEYED BY DEPARTMENT OF DEFENSE.

(a) REQUIREMENT.—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2695, as added by section 2813, the following new section:

''§ 2696. Screening of real property for further Federal use before conveyance

''(a) SCREENING REQUIREMENT.—The Secretary concerned may not convey real property that is authorized or required to be conveyed, whether for or without consideration, by any provision of law unless the Administrator of General Services has screened the property for further Federal use in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

''(b) TIME FOR SCREENING.—(1) Before the end of the 30-day period beginning on the date of the enactment of a provision of law authorizing or requiring the conveyance of a parcel of real property by the Secretary concerned, the Administrator of General Services shall complete the screening required by paragraph (1) with regard to the real property and notify the Secretary concerned of the results of the screening. The notice shall include—

''(A) the name of the Federal agency requesting transfer of the property;

''(B) the proposed use to be made of the property by the Federal agency; and

''(C) the fair market value of the property, including any improvements thereon, as estimated by the Administrator.

''(2) If the Administrator fails to complete the screening and notify the Secretary concerned within such period, the Secretary concerned shall proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance.

''(c) NOTICE OF FURTHER FEDERAL USE.—If the Administrator of General Services notifies the Secretary concerned under subsection (b) that further Federal use of a parcel of real property authorized or required to be conveyed by any provision of law is requested by a Federal agency, the Secretary concerned shall submit a copy of the notice to Congress.

''(d) CONGRESSIONAL DISAPPROVAL.—If the Secretary concerned submits a notice under subsection (c) with regard to a parcel of real property, the Secretary concerned may not proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance if Congress enacts a law rescinding the conveyance authority or requirement before the end of the 180-day period beginning on the date on which the Secretary concerned submits the notice.

''(e) EXCEPTED CONVEYANCE AUTHORITIES.—The screening requirements of this section shall not apply to real property authorized or required to be conveyed under any of the following provisions of law:

''(1) Section 2687 of this title.

''(2) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

''(3) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(4) Any provision of law authorizing the closure or realignment of a military installation that is enacted after the date of enactment of the National Defense Authorization Act for Fiscal Year 1998.

''(5) Title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

''(6) Any specific provision of law authorizing or requiring the transfer of administrative jurisdiction over a parcel of real property between Federal agencies.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2695, as added by section 2813, the following new item:

''2696. Screening of real property for further Federal use before conveyance.''.

(b) APPLICABILITY.—Section 2696 of title 10, United States Code, as added by subsection (a) of this section, shall apply with respect to any real property authorized or required to be conveyed under a provision of law covered by such section that is enacted after December 31, 1997.

SEC. 2815. DISPOSITION OF PROCEEDS OF SALE OF AIR FORCE PLANT NO. 78, BRIGHAM CITY, UTAH.

Notwithstanding section 204(h)(2)(A) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)(A)), the entire amount deposited by the Administrator of General Services in the special account in the Treasury (established under section 204(h)(2) of such Act) as a result of the sale of Air Force Plant No. 78, Brigham City, Utah, shall be available, to the extent provided in appropriations Acts, to the Secretary of the Air Force for facility maintenance, facility repair, and environmental restoration at other industrial plants of the Air Force.

SEC. 2816. FIRE PROTECTION AND HAZARDOUS MATERIALS PROTECTION AT FORT MEADE, MARYLAND.

(a) PLAN.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the congressional defense committees a plan to address the requirements for fire protection services and hazardous materials protection services at Fort Meade, Maryland, including the National Security Agency at Fort Meade, as identified in the preparedness evaluation report of the Army Corps of Engineers regarding Fort Meade.

(b) ELEMENTS.—The plan shall include the following:

(1) A schedule for the implementation of the plan.

(2) A detailed list of funding options available to provide centrally located, modern facilities and equipment to meet current requirements for fire protection services and hazardous materials protection services at Fort Meade.

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. CONSIDERATION OF MILITARY INSTALLATIONS AS SITES FOR NEW FEDERAL FACILITIES.

(a) 1988 LAW.—Section 204(b)(5) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A), by striking out ''subparagraph (B)'' and inserting in lieu thereof ''subparagraphs (B) and (C)''; and

(2) by adding at the end the following new subparagraph:

''(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation closed or realigned or to be closed or realigned under this title as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall obtain the concurrence of the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

''(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.

''(iii) This subparagraph shall apply during the period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 and ending on July 31, 2001.''.

(b) 1990 LAW.—Section 2905(b)(5) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A), by striking out ''subparagraph (B)'' and inserting in lieu thereof ''subparagraphs (B) and (C)''; and

(2) by adding at the end the following new subparagraph:

''(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation closed or realigned or to be closed or realigned under this part as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall obtain the concurrence of the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

''(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.

''(iii) This subparagraph shall apply during the period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998 and ending on July 31, 2001.''.

SEC. 2822. ADJUSTMENT AND DIVERSIFICATION ASSISTANCE TO ENHANCE PERFORMANCE OF MILITARY FAMILY SUPPORT SERVICES BY PRIVATE SECTOR SOURCES.

Section 2391(b)(5) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

''(C) The Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist a State or local government in enhancing the capabilities of the government to support efforts of the Department of Defense to privatize, contract for, or diversify the performance of military family support services in cases in which the capability of the Department to provide such services is adversely affected by an action described in paragraph (1).''.

SEC. 2823. SECURITY, FIRE PROTECTION, AND OTHER SERVICES AT PROPERTY FORMERLY ASSOCIATED WITH RED RIVER ARMY DEPOT, TEXAS.

(a) AUTHORITY TO ENTER INTO AGREEMENT.—(1) The Secretary of the Army may enter into an agreement with the local redevelopment authority for Red River Army Depot, Texas, under which agreement the Secretary provides security services, fire protection services, or hazardous material response services for the authority with respect to the property at the depot that is under the jurisdiction of the authority as a result of the realignment of the depot under the base closure laws.

(2) The Secretary may not enter into the agreement unless the Secretary determines that the provision of services under the agreement is in the best interests of the United States.

(b) REIMBURSEMENT.—The agreement under subsection (a) shall provide for reimbursing the Secretary for the services provided by the Secretary under the agreement.

(c) TREATMENT OF REIMBURSEMENT.—Any amounts received by the Secretary under subsection (b) as reimbursement for services provided under the agreement entered into under subsection (a) shall be credited to the appropriations providing funds for the services. Amounts so credited shall be merged with the appropriations to which credited and shall be available for the purposes, and subject to the conditions and limitations, for which such appropriations are available.

SEC. 2824. REPORT ON CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS.

(a) REPORT.—(1) The Secretary of Defense shall prepare and submit to the congressional defense committees a report on the costs and savings attributable to the rounds of base closures and realignments conducted under the base closure laws and on the need, if any, for additional rounds of base closures and realignments.

(2) For purposes of this section, the term ''base closure laws'' means—

(A) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note); and

(B) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) A statement, using data consistent with budget data, of the actual costs and savings (to the extent available for prior fiscal years) and the estimated costs and savings (in the case of future fiscal years) attributable to the closure and realignment of military installations as a result of the base closure laws.

(2) A comparison, set forth by base closure round, of the actual costs and savings stated

under paragraph (1) to the estimates of costs and savings submitted to the Defense Base Closure and Realignment Commission as part of the base closure process.

(3) A comparison, set forth by base closure round, of the actual costs and savings stated under paragraph (1) to the annual estimates of costs and savings previously submitted to Congress.

(4) A list of each military installation at which there is authorized to be employed 300 or more civilian personnel, set forth by Armed Force.

(5) An estimate of current excess capacity at military installations, set forth—

(A) as a percentage of the total capacity of the military installations of the Armed Forces with respect to all military installations of the Armed Forces;

(B) as a percentage of the total capacity of the military installations of each Armed Force with respect to the military installations of such Armed Force; and

(C) as a percentage of the total capacity of a type of military installations with respect to military installations of such type.

(6) An assessment of the effect of the previous base closure rounds on military capabilities and the ability of the Armed Forces to fulfill the National Military Strategy.

(7) A description of the types of military installations that would be recommended for closure or realignment in the event of one or more additional base closure rounds, set forth by Armed Force.

(8) The criteria to be used by the Secretary in evaluating military installations for closure or realignment in such event.

(9) The methodologies to be used by the Secretary in identifying military installations for closure or realignment in such event.

(10) An estimate of the costs and savings that the Secretary believes will be achieved as a result of the closure or realignment of military installations in such event, set forth by Armed Force and by year.

(11) An assessment of whether the costs and estimated savings from one or more future rounds of base closures and realignments, currently unauthorized, are already contained in the current Future Years Defense Plan, and, if not, whether the Secretary will recommend modifications in future defense spending in order to accommodate such costs and savings.

(c) METHOD OF PRESENTING INFORMATION.—The statement and comparison required by paragraphs (1) and (2) of subsection (b) shall be set forth by Armed Force, type of facility, and fiscal year, and include the following:

(1) Operation and maintenance costs, including costs associated with expanded operations and support, maintenance of property, administrative support, and allowances for housing at military installations to which functions are transferred as a result of the closure or realignment of other installations.

(2) Military construction costs, including costs associated with rehabilitating, expanding, and constructing facilities to receive personnel and equipment that are transferred to military installations as a result of the closure or realignment of other installations.

(3) Environmental cleanup costs, including costs associated with assessments and restoration.

(4) Economic assistance costs, including—

(A) expenditures on Department of Defense demonstration projects relating to economic assistance;

(B) expenditures by the Office of Economic Adjustment; and

(C) to the extent available, expenditures by the Economic Development Administration, the Federal Aviation Administration, and the Department of Labor relating to economic assistance.

(5) To the extent information is available, unemployment compensation costs, early retirement benefits (including benefits paid under section 5597 of title 5, United States Code), and worker retraining expenses under the Priority Placement Program, the Job Training Partnership Act, and any other Federally-funded job training program.

(6) Costs associated with military health care.

(7) Savings attributable to changes in military force structure.

(8) Savings due to lower support costs with respect to military installations that are closed or realigned.

(d) DEADLINE.—The Secretary shall submit the report under subsection (a) not later than the date on which the President submits to Congress the budget for fiscal year 2000 under section 1105(a) of title 31, United States Code.

(e) REVIEW.—The Congressional Budget Office and the Comptroller General shall conduct a review of the report prepared under subsection (a).

(f) PROHIBITION ON USE OF FUNDS.—Except as necessary to prepare the report required subsection (a), no funds authorized to be appropriated or otherwise made available to the Department of Defense by this Act or any other Act may be used for the purposes of planning for, or collecting data in anticipation of, an authorization providing for procedures under which the closure and realignment of military installations may be accomplished, until the later of—

(1) the date on which the Secretary submits the report required by subsection (a); and

(2) the date on which the Congressional Budget Office and the Comptroller General complete a review of the report under subsection (e).

(g) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Secretary should develop a system having the capacity to quantify the actual costs and savings attributable to the closure and realignment of military installations pursuant to the base closure process; and

(2) the Secretary should develop the system in expedient fashion, so that the system may be used to quantify costs and savings attributable to the 1995 base closure round.

SEC. 2825. SENSE OF SENATE REGARDING UTILIZATION OF SAVINGS DERIVED FROM BASE CLOSURE PROCESS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Since 1988, the Department of Defense has conducted four rounds of closures and realignments of military installations in the United States, resulting in the closure of 97 installations.

(2) The cost of carrying out the closure or realignment of installations covered by such rounds is estimated by the Secretary of Defense to be $23,000,000,000.

(3) The savings expected as a result of the closure or realignment of such installations are estimated by the Secretary to be $10,300,000,000 through fiscal year 1996 and $36,600,000,000 through 2001.

(4) In addition to such savings, the Secretary has estimated recurring savings as a result of the closure or realignment of such installations of approximately $5,600,000,000 annually.

(5) The fiscal year 1997 budget request for the Department assumed a savings of between $2,000,000,000 and $3,000,000,000 as a result of the closure or realignment of such installations, which savings were to be dedicated to the modernization of the Armed Forces. The savings assumed in the budget request were not realized.

(6) The fiscal year 1998 budget request for the Department assumes a savings of $5,000,000,000 as a result of the closure or realignment of such installations, which savings are to be dedicated to the modernization of the Armed Forces.

(b) SENSE OF SENATE ON USE OF SAVINGS RESULTING FROM BASE CLOSURE PROCESS.—It is the sense of the Senate that the savings identified in the report under section 2824 should be made available to the Department of Defense solely for purposes of the modernization of new weapon systems (including research, development, test, and evaluation relating to such modernization) and should be used by the Department solely for such purposes.

SEC. 2826. PROHIBITION AGAINST CERTAIN CONVEYANCES OF PROPERTY AT NAVAL STATION, LONG BEACH, CALIFORNIA.

(a) PROHIBITION AGAINST DIRECT CONVEYANCE.—In disposing of real property in connection with the closure of Naval Station, Long Beach, California, under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), the Secretary of the Navy may not convey any portion of the property (by sale, lease, or other method) to the China Ocean Shipping Company or any legal successor or subsidiary of that Company (in this section referred to as ''COSCO'').

(b) PROHIBITION AGAINST INDIRECT CONVEYANCE.—The Secretary of the Navy shall impose as a condition on each conveyance of real property located at Naval Station, Long Beach, California, the requirement that the property may not be subsequently conveyed (by sale, lease, or other method) to COSCO.

(c) REVERSIONARY INTEREST.—If the Secretary of the Navy determines at any time that real property located at Naval Station, Long Beach, California, and conveyed under the Defense Base Closure and Realignment Act of 1990 has been conveyed to COSCO in violation of subsection (b) or is otherwise being used by COSCO in violation of such subsection, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have immediate right of entry thereon.

(d) NATIONAL SECURITY REPORT AND DETERMINATION.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense and the Director of the Federal Bureau of Investigation shall separately submit to the President and the congressional defense committees a report regarding the potential national security implications of conveying property described in subsection (a) to COSCO. Each report shall specifically identify any increased risk of espionage, arms smuggling, or other illegal activities that could result from a conveyance to COSCO and recommend appropriate action to address any such risk.

(e) WAIVER AUTHORITY.—(1) The President may waive the prohibitions contained in this section with respect to a conveyance of property described in subsection (a) to COSCO if the President determines that—

(A) appropriate action has been taken to address any increased national security risk identified in the reports required by subsection (d); and

(B) the conveyance would not adversely affect national security or significantly increase the counter-intelligence burden on the intelligence community.

(2) Any waiver under paragraph (1) shall take effect 30 days after the date on which the President notifies the Speaker of the House of Representatives and the President of the Senate of the President's determination to use the waiver authority provided under this subsection.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. LAND CONVEYANCE, ARMY RESERVE CENTER, GREENSBORO, ALABAMA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Hale County, Alabama, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 5.17 acres and located at the Army Reserve Center, Greensboro, Alabama, that was conveyed by Hale County, Alabama, to the United States by warranty deed dated September 12, 1988.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to

be conveyed under subsection (a) shall be as described in the deed referred to in that subsection.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, JAMES T. COKER ARMY RESERVE CENTER, DURANT, OKLAHOMA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Big Five Community Services, Incorporated, a nonprofit organization operating in Durant, Oklahoma, all right, title, and interest of the United States in and to a parcel of real property located at 1500 North First Street in Durant, Oklahoma, and containing the James T. Coker Army Reserve Center, if the Secretary determines that the Reserve Center is excess to the needs of the Armed Forces.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that Big Five Community Services, Incorporated, retain the conveyed property for educational purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for the purpose specified in subsection (b), all right, title, and interest in and to the real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by Big Five Community Services, Incorporated.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, GIBSON ARMY RESERVE CENTER, CHICAGO, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Lawndale Business and Local Development Corporation (in this section referred to as the ''Corporation''), a nonprofit organization organized in the State of Illinois, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 4454 West Cermak Road in Chicago, Illinois, and contains the Gibson Army Reserve Center.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Corporation—

(1) use the conveyed property, directly or through an agreement with a public or private entity, for economic redevelopment purposes; or

(2) convey the property to an appropriate public or private entity for use for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for economic redevelopment purposes, as required by subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. LAND CONVEYANCE, FORT A. P. HILL, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to Caroline County, Virginia (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 10 acres located at Fort A. P. Hill, Virginia. The purpose of the conveyance is to permit the County to establish a solid waste transfer and recycling facility on the property.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the County shall permit the Army, at no cost to the Army, to dispose of not less than 1,800 tons of solid waste annually at the facility established on the conveyed property. The obligation of the County to accept solid waste under this subsection shall not commerce until after the solid waste transfer and recycling facility on the conveyed property becomes operational, and the establishment of a solid waste collection and transfer site on the .36-acre parcel described in subsection (d)(2) shall not be construed to impose the obligation.

(c) DISCLAIMER.—The United States shall not be responsible for the provision or cost of utilities or any other improvements necessary to carry out the conveyance under subsection (a) or to establish or operate the solid waste transfer and recycling facility intended for the property.

(d) REVERSION.—(1) Except as provided in paragraph (2), if the Secretary determines that a solid waste transfer and recycling facility is not operational, before December 31, 1999, on the real property conveyed under subsection (a), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) Paragraph (1) shall not apply with respect to a parcel of approximately .36 acres of the approximately 10-acre parcel to be conveyed under subsection (a), which is included in the larger conveyance to permit the County to establish a solid waste collection and transfer site for residential waste.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. LAND CONVEYANCES, FORT DIX, NEW JERSEY.

(a) CONVEYANCES AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the Borough of Wrightstown, New Jersey (in this section referred to as the ''Borough''), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 39.69 acres located at Fort Dix, New Jersey, for the purpose of permitting the Borough to develop the parcel for economic purposes.

(2) The Secretary may convey, without consideration, to the New Hanover Board of Education (in this section referred to as the ''Board''), all right, title, and interest of the United States in and to an additional parcel of real property (including improvements thereon) at Fort Dix consisting of approximately five acres for the purpose of permitting the Board to develop the parcel for educational purposes.

(b) CONDITIONS OF CONVEYANCE.—(1) The conveyance under subsection (a)(1) shall be subject to the condition that the Borough—

(A) use the conveyed property, directly or through an agreement with a public or private entity, for economic development purposes; or

(B) convey the property to an appropriate public or private entity for use for such purposes.

(2) The conveyance under subsection (a)(2) shall be subject to the condition that Board develop and use the conveyed property for educational purposes.

(c) REVERSION.—(1) If the Secretary determines at any time that the real property conveyed under subsection (a)(1) is not being used for economic development purposes, as required by subsection (b)(1), all right, title, and interest in and to the property conveyed under subsection (a)(1), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) If the Secretary determines at any time that the real property conveyed under subsection (a)(2) is not being used for educational purposes, as required by subsection (b)(2), all right, title, and interest in and to the property conveyed under subsection (a)(2), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the survey in connection with the conveyance under subsection (a)(1) shall be borne by the Borough, and the cost of the survey in connection with the conveyance under subsection (a)(2) shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. LAND CONVEYANCES, FORT BRAGG, NORTH CAROLINA.

(a) CONVEYANCES AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to the Town of Spring Lake, North Carolina (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 50 acres located at Fort Bragg, North Carolina.

(2) The Secretary may convey, without consideration, to Harnett County, North Carolina (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon), known as Tract No. 404–2, consisting of approximately 157 acres located at Fort Bragg.

(3) The Secretary may convey, at fair market value, to the County all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon), known as Tract No. 404–1, consisting of approximately 137 acres located at Fort Bragg.

(b) CONDITIONS OF CONVEYANCE.—(1) The conveyance under subsection (a)(1) shall be subject to the condition that the Town use the conveyed property for access to a waste treatment facility and for economic development purposes.

(2) The conveyance under subsection (a)(2) shall be subject to the condition that County develop and use the conveyed property for educational purposes.

(c) REVERSION.—(1) If the Secretary determines at any time that the real property conveyed under subsection (a)(1) is not being used in accordance with subsection (b)(1), all right, title, and interest in and to the property conveyed under subsection (a)(1), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) If the Secretary determines at any time that the real property conveyed under subsection (a)(2) is not being used in accordance with subsection (b)(2), all right, title, and interest in and to the property conveyed under subsection (a)(2), including any improvements thereon, shall revert to the United States, and

the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the survey in connection with the conveyance under subsection (a)(1) shall be borne by the Town, and the cost of the survey in connection with the conveyances under paragraphs (2) and (3) of subsection (a) shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND CONVEYANCE, HAWTHORNE ARMY AMMUNITION DEPOT, MINERAL COUNTY, NEVADA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Mineral County, Nevada (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, consisting of approximately 33.1 acres located at Hawthorne Army Ammunition Depot, Mineral County, Nevada, and commonly referred to as the Schweer Drive Housing Area, for the purpose of permitting the County to develop the parcel for economic purposes.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) That the County accept the conveyed property subject to such easements and rights of way in favor of the United States as the Secretary considers appropriate.

(2) That the County, if the County sells any portion of the property conveyed under subsection (a) before the end of the 10-year period beginning on the date of enactment of this Act, pay to the United States an amount equal to the lesser of—

(A) the amount of sale of the property sold; or

(B) the fair market value of the property sold as determined without taking into account any improvements to such property by the County.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a), and of any easement or right of way granted under subsection (b)(1), shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and any easement or right of way granted under subsection (b)(1), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2838. EXPANSION OF LAND CONVEYANCE AUTHORITY, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) ADDITIONAL CONVEYANCE.—Subsection (a) of section 2858 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 571) is amended—

(1) by inserting ''(1)'' before ''The Secretary of the Army''; and

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

''(2) The Secretary may also convey to the State, without consideration, an additional parcel of real property at the Indiana Army Ammunition Plant consisting of approximately 500 acres located along the Ohio River.''.

(b) CONFORMING AMENDMENTS.—Such section is further amended by striking out ''conveyance'' both places it appears in subsections (b) and (d) and inserting in lieu thereof ''conveyances''.

SEC. 2839. MODIFICATION OF LAND CONVEYANCE, LOMPOC, CALIFORNIA.

(a) CHANGE IN AUTHORIZED USES OF LAND.—Section 834(b)(1) of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1526), is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following new subparagraphs:

''(A) for educational and recreational purposes;

''(B) for open space; or''.

(b) CONFORMING DEED CHANGES.—With respect to the land conveyance made pursuant to section 834 of the Military Construction Authorization Act, 1985, the Secretary of the Army shall execute and file in the appropriate office or offices an amended deed or other appropriate instrument effectuating the changes to the authorized uses of the conveyed property resulting from the amendment made by subsection (a).

SEC. 2840. MODIFICATION OF LAND CONVEYANCE, ROCKY MOUNTAIN ARSENAL, COLORADO.

Section 5(c)(1) of Public Law 102–402 (106 Stat. 1966; 16 U.S.C. 668dd note) is amended by striking out the second sentence and inserting in lieu thereof the following new sentence: ''The Administrator shall convey the transferred property to Commerce City, Colorado, for consideration in an amount equal to the fair market value of the property (as determined jointly by the Administrator and the City).''.

SEC. 2841. CORRECTION OF LAND CONVEYANCE AUTHORITY, ARMY RESERVE CENTER, ANDERSON, SOUTH CAROLINA.

(a) CORRECTION OF CONVEYEE.—Subsection (a) of section 2824 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2793) is amended by striking out ''County of Anderson, South Carolina (in this section referred to as the 'County')'' and inserting in lieu thereof ''Board of Education, Anderson County, South Carolina (in this section referred to as the 'Board')''.

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are each amended by striking out ''the County'' and inserting in lieu thereof ''the Board''.

PART II—NAVY CONVEYANCES

SEC. 2851. LAND CONVEYANCE, TOPSHAM ANNEX, NAVAL AIR STATION, BRUNSWICK, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Maine School Administrative District No. 75, Topsham, Maine (in this section referred to as the ''District''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 40 acres located at the Topsham Annex, Naval Air Station, Brunswick, Maine.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the District use the conveyed property for educational purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for the purpose specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, together with the improvements thereon, to the District.

(2) As consideration for the lease under this subsection, the District shall provide such security services for the property covered by the lease, and carry out such maintenance work with respect to the property, as the Secretary shall specify in the lease.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease, if any, under subsection (d), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2852. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT NO. 464, OYSTER BAY, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the County of Nassau, New York (in this section referred to as the ''County''), all right, title, and interest of the United States in and to parcels of real property consisting of approximately 110 acres and comprising the Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York.

(2)(A) As part of the conveyance authorized in paragraph (1), the Secretary may convey to the County such improvements, equipment, fixtures, and other personal property (including special tooling equipment and special test equipment) located on the parcels as the Secretary determines to be not required by the Navy for other purposes.

(B) The Secretary may permit the County to review and inspect the improvements, equipment, fixtures, and other personal property located on the parcels for purposes of the conveyance authorized by this paragraph.

(b) CONDITION OF CONVEYANCE.—The conveyance of the parcels authorized in subsection (a) shall be subject to the condition that the County—

(1) use the parcels, directly or through an agreement with a public or private entity, for economic redevelopment purposes or such other public purposes as the County determines appropriate; or

(2) convey the parcels to an appropriate public or private entity for use for such purposes.

(c) REVERSION.—If, during the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), the Secretary determines that the conveyed real property is not being used for a purpose specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(d) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, together with improvements thereon, to the County.

(2) As consideration for the lease under this subsection, the County shall provide such security services and fire protection services for the property covered by the lease, and carry out such maintenance work with respect to the property, as the Secretary shall specify in the lease.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), and the lease, if any, under subsection (d), as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. CORRECTION OF LEASE AUTHORITY, NAVAL AIR STATION, MERIDIAN, MISSISSIPPI.

(a) CORRECTION OF LESSEE.—Subsection (a) of section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2798) is amended—

(1) by striking out ''State of Mississippi (in this section referred to as the 'State')'' and inserting in lieu thereof ''County of Lauderdale,

Mississippi (in this section referred to as the 'County')''; and

(2) by striking out ''The State'' and inserting in lieu thereof ''The County''.

(b) CONFORMING AMENDMENTS.—Subsections (b) and (c) of such section are amended by striking out ''State'' each place it appears and inserting in lieu thereof ''County''.

PART III—AIR FORCE CONVEYANCES

SEC. 2861. LAND TRANSFER, EGLIN AIR FORCE BASE, FLORIDA.

(a) TRANSFER.—The real property withdrawn by Executive Order 4525, dated October 1, 1826, which consists of approximately 440 acres of land at Cape San Blas, Gulf County, Florida, and any improvements thereon, is transferred from the administrative jurisdiction of the Secretary of Transportation to the administrative jurisdiction of the Secretary of the Air Force, without reimbursement. Executive Order 4525 is revoked, and the transferred real property shall be administered by the Secretary of the Air Force pursuant to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and such other laws as may be applicable to Federal real property.

(b) USE OF PROPERTY.—The real property transferred under subsection (a) may be used in conjunction with operations at Eglin Air Force Base, Florida.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Air Force. The cost of the survey shall be borne by the Secretary of the Air Force.

SEC. 2862. LAND CONVEYANCE, MARCH AIR FORCE BASE, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey to Air Force Village West, Incorporated (in this section referred to as the ''Corporation''), of Riverside, California, all right, title, and interest of the United States in and to a parcel of real property located at March Air Force Base, California, and consisting of approximately 75 acres, as more fully described in subsection (c).

(2) If the Secretary does not make the conveyance authorized by paragraph (1) to the Corporation on or before January 1, 2006, the Secretary shall convey the real property instead to the March Joint Powers Authority, the redevelopment authority established for March Air Force Base.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a)(1), the Corporation shall pay to the United States an amount equal to the fair market value of the real property, as determined by the Secretary.

(c) LAND DESCRIPTION.—The real property to be conveyed under subsection (a) is contiguous to land conveyed to the Corporation pursuant to section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1527), and lies within sections 27, 28, 33, and 34 of Township 3 South, Range 4 West, San Bernardino Base and Meridian, County of Riverside, California. The exact acreage and legal description of the real property shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the party receiving the property.

(d) TECHNICAL CORRECTIONS REGARDING PREVIOUS CONVEYANCE.—Section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407; 98 Stat. 1527), is amended—

(1) in subsection (b), by striking out ''subsection (b)'' and inserting in lieu thereof ''subsection (a)''; and

(2) in subsection (c), by striking out ''Clark Street,'' and all that follows through the period and inserting in lieu thereof ''Village West Drive, on the west by Allen Avenue, on the south by 8th Street, and the north is an extension of 11th Street between Allen Avenue and Clark Street.''.

SEC. 2863. LAND CONVEYANCE, ELLSWORTH AIR FORCE BASE, SOUTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota (in this section referred to as the ''Corporation''), all right, title, and interest of the United States in and to the parcels of real property located at Ellsworth Air Force Base, South Dakota, referred to in subsection (b).

(b) COVERED PROPERTY.—(1) Subject to paragraph (2), the real property referred to in subsection (a) is the following:

(A) A parcel of real property, together with any improvements thereon, consisting of approximately 53.32 acres and comprising the Skyway Military Family Housing Area.

(B) A parcel of real property, together with any improvements thereon, consisting of approximately 137.56 acres and comprising the Renal Heights Military Family Housing Area.

(C) A parcel of real property, together with any improvements thereon, consisting of approximately 14.92 acres and comprising the East Nike Military Family Housing Area.

(D) A parcel of real property, together with any improvements thereon, consisting of approximately 14.69 acres and comprising the South Nike Military Family Housing Area.

(E) A parcel of real property, together with any improvements thereon, consisting of approximately 14.85 acres and comprising the West Nike Military Family Housing Area.

(2) The real property referred to in subsection (a) does not include the portion of real property referred to in paragraph (1)(B) that the Secretary determines to be required for the construction of an access road between the main gate of Ellsworth Air Force Base and an interchange on Interstate Route 90 located in the vicinity of mile marker 67 in South Dakota.

(c) CONDITIONS OF CONVEYANCE.—The conveyance of the real property referred to in subsection (b) shall be subject to the following conditions:

(1) That the Corporation, and any person or entity to which the Corporation transfers the property, comply in the use of the property with the applicable provisions of the Ellsworth Air Force Base Air Installation Compatible Use Zone Study.

(2) That the Corporation convey a portion of the real property referred to in subsection (b)(1)(A), together with any improvements thereon, consisting of approximately 20 acres to the Douglas School District, South Dakota, for use for education purposes.

(d) REVERSION.—If the Secretary determines that any portion of the real property conveyed under subsection (a) is not being used in accordance with the applicable provision of subsection (c), all right, title, and interest in and to that portion of the real property (including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(e) LEGAL DESCRIPTION.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Corporation.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2864. LAND CONVEYANCE, HANCOCK FIELD, SYRACUSE, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey, without consideration, to Onondaga County, New York (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 14.9 acres and located at Hancock Field, Syracuse, New York, the site of facilities no longer required for use by the 152nd Air Control Group of the New York Air National Guard.

(2) If, at the time of the conveyance authorized by paragraph (1), the property to be conveyed is under the jurisdiction of the Administrator of General Services rather than the Secretary, the Administrator shall make the conveyance.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the condition that the County use the property conveyed for economic development purposes.

(c) REVERSION.—If the Secretary (or the Administrator in the event the conveyance is made by the Administrator) determines at any time that the property conveyed pursuant to this section is not being used for the purposes specified in subsection (b), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary (or the Administrator in the event the conveyance is made by the Administrator). The cost of the survey shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary (or the Administrator in the event the conveyance is made by the Administrator) may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary or the Administrator, as the case may be, considers appropriate to protect the interests of the United States.

SEC. 2865. LAND CONVEYANCE, HAVRE AIR FORCE STATION, MONTANA, AND HAVRE TRAINING SITE, MONTANA.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Air Force may convey, without consideration, to the Bear Paw Development Corporation, Havre, Montana (in this section referred to as the ''Corporation''), all, right, title, and interest of the United States in and to the real property described in paragraph (2).

(2) The authority in paragraph (1) applies to the following real property:

(A) A parcel of real property, including any improvements thereon, consisting of approximately 85 acres and comprising the Havre Air Force Station, Montana.

(B) A parcel of real property, including any improvements thereon, consisting of approximately 9 acres and comprising the Havre Training Site, Montana.

(b) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the following conditions:

(1) That the Corporation—

(A) convey to the Box Elder School District 13G, Montana, 10 single-family homes located on the property to be conveyed under that subsection as jointly agreed upon by the Corporation and the school district; and

(B) grant the school district access to the property for purposes of removing the homes from the property.

(2) That the Corporation—

(A) convey to the Hays/Lodgepole School District 50, Montana—

(i) 27 single-family homes located on the property to be conveyed under that subsection as jointly agreed upon by the Corporation and the school district;

(ii) one barracks housing unit located on the property;

(iii) two steel buildings (nos. 7 and 8) located on the property;

(iv) two tin buildings (nos. 37 and 44) located on the property; and

(v) miscellaneous personal property located on the property that is associated with the buildings conveyed under this subparagraph; and

(B) grant the school district access to the property for purposes of removing such homes and buildings, the housing unit, and such personal property from the property.

(3) That the Corporation—

(A) convey to the District 4 Human Resources Development Council, Montana, eight single-family homes located on the property to be conveyed under that subsection as jointly agreed upon by the Corporation and the council; and

(B) grant the council access to the property for purposes of removing such homes from the property.

(4) That any property conveyed under subsection (a) that is not conveyed under this subsection be used for economic development purposes or housing purposes.

(c) REVERSION.—If the Secretary determines at any time that the portion of the property conveyed under subsection (a) which is covered by the condition specified in subsection (b)(4) is not being used for the purposes specified in that subsection, all right, title, and interest in and to such property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) DESCRIPTION OF PROPERTY.—The exact acreages and legal description of the parcels of property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Corporation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2866. LAND CONVEYANCE, CHARLESTON FAMILY HOUSING COMPLEX, BANGOR, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the City of Bangor, Maine (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 19.8 acres, including improvements thereon, located in Bangor, Maine, and known as the Charleston Family Housing Complex.

(b) PURPOSE OF CONVEYANCE.—The purpose of the conveyance under subsection (a) is to facilitate the reuse of the real property, currently unoccupied, which the City proposes to use to provide housing opportunities for first-time home buyers.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the condition that the City, if the City sells any portion of the property conveyed under subsection (a) before the end of the 10-year period beginning on the date of enactment of this Act, pay to the United States an amount equal to the lesser of—

(1) the amount of sale of the property sold; or

(2) the fair market value of the property sold as determined without taking into account any improvements to such property by the City.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2867. STUDY OF LAND EXCHANGE OPTIONS, SHAW AIR FORCE BASE, SOUTH CAROLINA.

Section 2874 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 583) is amended by adding at the end the following new subsection:

''(g) STUDY OF EXCHANGE OPTIONS.—To facilitate the use of a land exchange to acquire the real property described in subsection (a), the Secretary shall conduct a study to identify real property in the possession of the Air Force (located in the State of South Carolina or elsewhere) that satisfies the requirements of subsection (b)(2), is acceptable to the party holding the property to be acquired, and is otherwise suitable for exchange under this section. Not later than three months after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998, the Secretary shall submit to Congress a report containing the results of the study.''.

Subtitle E—Other Matters

SEC. 2871. REPEAL OF REQUIREMENT TO OPERATE NAVAL ACADEMY DAIRY FARM.

(a) OPERATION.—(1) Chapter 603 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 6976. Operation of Naval Academy dairy farm

''(a) DISCRETION REGARDING CONTINUED OPERATION.—(1) Subject to paragraph (2), the Secretary of the Navy may terminate or reduce the dairy or other operations conducted at the Naval Academy dairy farm located in Gambrills, Maryland.

''(2) Notwithstanding the termination or reduction of operations at the Naval Academy dairy farm under paragraph (1), the real property containing the dairy farm (consisting of approximately 875 acres)—

''(A) may not be declared to be excess real property to the needs of the Navy or transferred or otherwise disposed of by the Navy or any Federal agency; and

''(B) shall be maintained in its rural and agricultural nature.

''(b) LEASE AUTHORITY.—(1) Subject to paragraph (2), to the extent that the termination or reduction of operations at the Naval Academy dairy farm permit, the Secretary of the Navy may lease the real property containing the dairy farm, and any improvements and personal property thereon, to such persons and under such terms as the Secretary considers appropriate. In leasing any of the property, the Secretary may give a preference to persons who will continue dairy operations on the property.

''(2) Any lease of property at the Naval Academy dairy farm shall be subject to a condition that the lessee maintain the rural and agricultural nature of the leased property.

''(c) EFFECT OF OTHER LAWS.—Nothing in section 6971 of this title shall be construed to require the Secretary of the Navy or the Superintendent of the Naval Academy to operate a dairy farm for the Naval Academy in Gambrills, Maryland, or any other location.''.

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

''6976. Operation of Naval Academy dairy farm.''.

(b) CONFORMING REPEAL OF EXISTING REQUIREMENTS.—Section 810 of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 309), is repealed.

(c) OTHER CONFORMING AMENDMENTS.—(1) Section 6971(b)(5) of title 10, United States Code, is amended by inserting ''(if any)'' before the period at the end.

(2) Section 2105(b) of title 5, United States Code, is amended by inserting ''(if any)'' after ''Academy dairy''.

SEC. 2872. LONG-TERM LEASE OF PROPERTY, NAPLES ITALY.

(a) AUTHORITY.—Subject to subsection (d), the Secretary of the Navy may acquire by long-term lease structures and real property relating to a regional hospital complex in Naples, Italy, that the Secretary determines to be necessary for purposes of the Naples Improvement Initiative.

(b) LEASE TERM.—Notwithstanding section 2675 of title 10, United States Code, the lease authorized by subsection (a) shall be for a term of not more than 20 years.

(c) EXPIRATION OF AUTHORITY.—The authority of the Secretary to enter into a lease under subsection (a) shall expire on September 30, 2002.

(d) AUTHORITY CONTINGENT ON APPROPRIATIONS ACTS.—The authority of the Secretary to enter into a lease under subsection (a) is available only to the extent or in the amount provided in advance in appropriations Acts.

SEC. 2873. DESIGNATION OF MILITARY FAMILY HOUSING AT LACKLAND AIR FORCE BASE, TEXAS, IN HONOR OF FRANK TEJEDA, A FORMER MEMBER OF THE HOUSE OF REPRESENTATIVES.

The military family housing developments to be constructed at two locations on Government property at Lackland Air Force Base, Texas, under the authority of subchapter IV of chapter 169 of title 10, United States Code, shall be designated by the Secretary of the Air Force, at an appropriate time, as follows:

(1) The eastern development shall be designated as ''Frank Tejeda Estates East''.

(2) The western development shall be designated as ''Frank Tejeda Estates West''.

SEC. 2874. FIBER-OPTICS BASED TELECOMMUNICATIONS LINKAGE OF MILITARY INSTALLATIONS.

(a) INSTALLATION REQUIRED.—In at least one metropolitan area of the United States containing multiple military installations of one or more military departments or Defense Agencies, the Secretary of Defense shall provide for the installation of fiber-optics based telecommunications technology to link as many of the installations in the area as practicable in a telecommunications network. The Secretary shall use a full and open competitive process, consistent with section 2304 of title 10, United States Code, to provide for the installation of the telecommunications network through one or more new contracts.

(b) FEATURES OF NETWORK.—The telecommunications network shall provide direct access to local and long distance telephone carriers, allow for transmission of both classified and unclassified information, and take advantage of the various capabilities of fiber-optics based telecommunications technology.

(c) TIME FOR REQUEST FOR BIDS OR PROPOSALS.—Not later than March 30, 1998, the Secretary of Defense shall release a final request for bids or proposals to provide the telecommunications network or networks described in subsection (a).

(d) REPORT ON IMPLEMENTATION.—Not later than December 31, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the implementation of subsection (c), including the metropolitan area or areas selected for the installation of a fiber-optics based telecommunications network, the current telecommunication costs for the Department of Defense in the selected area or areas, the estimated cost of the fiber-optics based network, and potential areas for the future use of fiber-optics based networks.

TITLE XXIX—SIKES ACT IMPROVEMENT

Sec. 2901. Short title.
Sec. 2902. Definition of Sikes Act for purposes of amendments.
Sec. 2903. Codification of short title of Act.
Sec. 2904. Preparation of integrated natural resources management plans.
Sec. 2905. Review for preparation of integrated natural resources management plans.
Sec. 2906. Transfer of wildlife conservation fees from closed military installations.
Sec. 2907. Annual reviews and reports.
Sec. 2908. Cooperative agreements.
Sec. 2909. Federal enforcement.
Sec. 2910. Natural resources management services.
Sec. 2911. Definitions.
Sec. 2912. Repeal of superseded provision.

Sec. 2913. Technical amendments.
Sec. 2914. Authorizations of appropriations.

SEC. 2901. SHORT TITLE.

This title may be cited as the ''Sikes Act Improvement Act of 1997''.

SEC. 2902. DEFINITION OF SIKES ACT FOR PURPOSES OF AMENDMENTS.

In this title, the term ''Sikes Act'' means the Act entitled ''An Act to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations'', approved September 15, 1960 (16 U.S.C. 670a et seq.), commonly referred to as the ''Sikes Act''.

SEC. 2903. CODIFICATION OF SHORT TITLE OF ACT.

The Sikes Act (16 U.S.C. 670a et seq.) is amended by inserting before title I the following new section:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Sikes Act'.''.

SEC. 2904. PREPARATION OF INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.

(a) IN GENERAL.—Section 101 of the Sikes Act (16 U.S.C. 670a(a)) is amended by striking out subsection (a) and inserting in lieu thereof the following new subsection:

''(a) AUTHORITY OF SECRETARY OF DEFENSE.—

''(1) PROGRAM.—

''(A) IN GENERAL.—The Secretary of Defense shall carry out a program to provide for the conservation and rehabilitation of natural resources on military installations.

''(B) INTEGRATED NATURAL RESOURCES MANAGEMENT PLAN.—To facilitate the program, the Secretary of each military department shall prepare and implement an integrated natural resources management plan for each military installation in the United States under the jurisdiction of the Secretary, unless the Secretary determines that the absence of significant natural resources on a particular installation makes preparation of such a plan inappropriate.

''(2) COOPERATIVE PREPARATION.—The Secretary of a military department shall prepare each integrated natural resources management plan for which the Secretary is responsible in cooperation with the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, and the head of each appropriate State fish and wildlife agency for the State in which the military installation concerned is located. Consistent with paragraph (4), the resulting plan for the military installation shall reflect the mutual agreement of the parties concerning conservation, protection, and management of fish and wildlife resources.

''(3) PURPOSES OF PROGRAM.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, the Secretaries of the military departments shall carry out the program required by this subsection to provide for—

''(A) the conservation and rehabilitation of natural resources on military installations;

''(B) the sustainable multipurpose use of the resources, which shall include hunting, fishing, trapping, and nonconsumptive uses; and

''(C) subject to safety requirements and military security, public access to military installations to facilitate the use.

''(4) EFFECT ON OTHER LAW.—Nothing in this title—

''(A)(i) affects any provision of a Federal law governing the conservation or protection of fish and wildlife resources; or

''(ii) enlarges or diminishes the responsibility and authority of any State for the protection and management of fish and resident wildlife; or

''(B) except as specifically provided in the other provisions of this section and in section 102, authorizes the Secretary of a military department to require a Federal license or permit to hunt, fish, or trap on a military installation.''.

(b) CONFORMING AMENDMENTS.—Title I of the Sikes Act is amended—

(1) in section 101(b)(4) (16 U.S.C. 670a(b)(4)), by striking out ''cooperative plan'' each place it appears and inserting in lieu thereof ''integrated natural resources management plan'';

(2) in section 101(c) (16 U.S.C. 670a(c)), in the matter preceding paragraph (1), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resources management plan'';

(3) in section 101(d) (16 U.S.C. 670a(d)), in the matter preceding paragraph (1), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resources management plans'';

(4) in section 101(e) (16 U.S.C. 670a(e)), by striking out ''Cooperative plans'' and inserting in lieu thereof ''Integrated natural resources management plans'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resources management plan'';

(6) in section 103 (16 U.S.C. 670c), by striking out ''a cooperative plan'' and inserting in lieu thereof ''an integrated natural resources management plan'';

(7) in section 106(a) (16 U.S.C. 670f(a)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resources management plans''; and

(8) in section 106(c) (16 U.S.C. 670f(c)), by striking out ''cooperative plans'' and inserting in lieu thereof ''integrated natural resources management plans''.

(c) REQUIRED ELEMENTS OF PLANS.—Section 101(b) of the Sikes Act (16 U.S.C. 670a(b)) is amended—

(1) by striking out ''(b) Each cooperative'' and all that follows through the end of paragraph (1) and inserting in lieu thereof the following:

''(b) REQUIRED ELEMENTS OF PLANS.—Consistent with the use of military installations to ensure the preparedness of the Armed Forces, each integrated natural resources management plan prepared under subsection (a)—

''(1) shall, to the extent appropriate and applicable, provide for—

''(A) fish and wildlife management, land management, forest management, and fish- and wildlife-oriented recreation;

''(B) fish and wildlife habitat enhancement or modifications;

''(C) wetland protection, enhancement, and restoration, where necessary for support of fish, wildlife, or plants;

''(D) integration of, and consistency among, the various activities conducted under the plan;

''(E) establishment of specific natural resource management goals and objectives and time frames for proposed action;

''(F) sustainable use by the public of natural resources to the extent that the use is not inconsistent with the needs of fish and wildlife resources;

''(G) public access to the military installation that is necessary or appropriate for the use described in subparagraph (F), subject to requirements necessary to ensure safety and military security;

''(H) enforcement of applicable natural resource laws (including regulations);

''(I) no net loss in the capability of military installation lands to support the military mission of the installation; and

''(J) such other activities as the Secretary of the military department determines appropriate;'';

(2) in paragraph (2), by adding ''and'' at the end;

(3) by striking out paragraph (3);

(4) by redesignating paragraph (4) as paragraph (3); and

(5) in paragraph (3)(A) (as so redesignated), by striking out ''collect the fees therefor,'' and inserting in lieu thereof ''collect, spend, administer, and account for fees for the permits,''.

SEC. 2905. REVIEW FOR PREPARATION OF INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.

(a) DEFINITIONS.—In this section, the terms ''military installation'' and ''United States'' have the meanings provided in section 100 of the Sikes Act (as added by section 2911).

(b) REVIEW OF MILITARY INSTALLATIONS.—

(1) REVIEW.—Not later than 270 days after the date of enactment of this Act, the Secretary of each military department shall—

(A) review each military installation in the United States that is under the jurisdiction of that Secretary to determine the military installations for which the preparation of an integrated natural resources management plan under section 101 of the Sikes Act (as amended by this title) is appropriate; and

(B) submit to the Secretary of Defense a report on the determinations.

(2) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the Secretary of Defense shall submit to Congress a report on the reviews conducted under paragraph (1). The report shall include—

(A) a list of the military installations reviewed under paragraph (1) for which the Secretary of the appropriate military department determines that the preparation of an integrated natural resources management plan is not appropriate; and

(B) for each of the military installations listed under subparagraph (A), an explanation of each reason such a plan is not appropriate.

(c) DEADLINE FOR INTEGRATED NATURAL RESOURCES MANAGEMENT PLANS.—Not later than three years after the date of the submission of the report required under subsection (b)(2), the Secretary of each military department shall, for each military installation with respect to which the Secretary has not determined under subsection (b)(2)(A) that preparation of an integrated natural resources management plan is not appropriate—

(1) prepare and begin implementing such a plan in accordance with section 101(a) of the Sikes Act (as amended by this title); or

(2) in the case of a military installation for which there is in effect a cooperative plan under section 101(a) of the Sikes Act on the day before the date of enactment of this Act, complete negotiations with the Secretary of the Interior and the heads of the appropriate State agencies regarding changes to the plan that are necessary for the plan to constitute an integrated natural resources management plan that complies with that section, as amended by this title.

(d) PUBLIC COMMENT.—The Secretary of each military department shall provide an opportunity for the submission of public comments on—

(1) integrated natural resources management plans proposed under subsection (c)(1); and

(2) changes to cooperative plans proposed under subsection (c)(2).

SEC. 2906. TRANSFER OF WILDLIFE CONSERVATION FEES FROM CLOSED MILITARY INSTALLATIONS.

Section 101(b)(3)(B) of the Sikes Act (16 U.S.C. 670a(b)) (as redesignated by section 2904(c)(4)) is amended by inserting before the period at the end the following: '', unless the military installation is subsequently closed, in which case the fees may be transferred to another military installation to be used for the same purposes''.

SEC. 2907. ANNUAL REVIEWS AND REPORTS.

Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

''(f) REVIEWS AND REPORTS.—

''(1) SECRETARY OF DEFENSE.—Not later than March 1 of each year, the Secretary of Defense shall review the extent to which integrated natural resources management plans were prepared or were in effect and implemented in accordance with this title in the preceding year, and submit a report on the findings of the review to the committees. Each report shall include—

''(A) the number of integrated natural resources management plans in effect in the year covered by the report, including the date on which each plan was issued in final form or most recently revised;

''(B) the amounts expended on conservation activities conducted pursuant to the plans in the year covered by the report; and

''(C) an assessment of the extent to which the plans comply with this title.

''(2) SECRETARY OF THE INTERIOR.—Not later than March 1 of each year and in consultation with the heads of State fish and wildlife agencies, the Secretary of the Interior shall submit a report to the committees on the amounts expended by the Department of the Interior and the State fish and wildlife agencies in the year covered by the report on conservation activities conducted pursuant to integrated natural resources management plans.

''(3) DEFINITION OF COMMITTEES.—In this subsection, the term 'committees' means—

''(A) the Committee on Resources and the Committee on National Security of the House of Representatives; and

''(B) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate.''.

SEC. 2908 COOPERATIVE AGREEMENTS.

Section 103a of the Sikes Act (16 U.S.C. 670c–1) is amended—

(1) in subsection (a), by striking out ''Secretary of Defense'' and inserting in lieu thereof ''Secretary of a military department'';

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

''(b) MULTIYEAR AGREEMENTS.—Funds appropriated to the Department of Defense for a fiscal year may be obligated to cover the cost of goods and services provided under a cooperative agreement entered into under subsection (a) or through an agency agreement under section 1535 of title 31, United States Code, during any 18-month period beginning in that fiscal year, without regard to whether the agreement crosses fiscal years.''.

SEC. 2909. FEDERAL ENFORCEMENT.

Title I of the Sikes Act is amended—

(1) by redesignating section 106 (16 U.S.C. 670f) as section 108; and

(2) by inserting after section 105 (16 U.S.C. 670e) the following new section:

''SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.

''All Federal laws relating to the management of natural resources on Federal land may be enforced by the Secretary of Defense with respect to violations of the laws that occur on military installations within the United States.''.

SEC. 2910. NATURAL RESOURCES MANAGEMENT SERVICES.

Title I of the Sikes Act is amended by inserting after section 106 (as added by section 2909) the following new section:

''SEC. 107. NATURAL RESOURCES MANAGEMENT SERVICES.

''To the extent practicable using available resources, the Secretary of each military department shall ensure that sufficient numbers of professionally trained natural resources management personnel and natural resources law enforcement personnel are available and assigned responsibility to perform tasks necessary to carry out this title, including the preparation and implementation of integrated natural resources management plans.''.

SEC. 2911. DEFINITIONS.

Title I of the Sikes Act is amended by inserting before section 101 (16 U.S.C. 670a) the following new section:

''SEC. 100. DEFINITIONS.

''In this title:

''(1) MILITARY INSTALLATION.—The term 'military installation'—

''(A) means any land or interest in land owned by the United States and administered by the Secretary of Defense or the Secretary of a military department, except land under the jurisdiction of the Assistant Secretary of the Army having responsibility for civil works;

''(B) includes all public lands withdrawn from all forms of appropriation under public land laws and reserved for use by the Secretary of Defense or the Secretary of a military department; and

''(C) does not include any land described in subparagraph (A) or (B) that is subject to an approved recommendation for closure under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) STATE FISH AND WILDLIFE AGENCY.—The term 'State fish and wildlife agency' means the one or more agencies of State government that are responsible under State law for managing fish or wildlife resources.

''(3) UNITED STATES.—The term 'United States' means the States, the District of Columbia, and the territories and possessions of the United States.''.

SEC. 2912. REPEAL OF SUPERSEDED PROVISION.

Section 2 of the Act of October 27, 1986 (Public Law 99–561; 16 U.S.C. 670a–1), is repealed.

SEC. 2913. TECHNICAL AMENDMENTS.

Title I of the Sikes Act, as amended by this title, is amended—

(1) in the heading for the title, by striking out ''MILITARY RESERVATIONS'' and inserting in lieu thereof ''MILITARY INSTALLATIONS'';

(2) in section 101(b)(3) (16 U.S.C. 670a(b)(3)), as redesignated by section 2904(c)(4)—

(A) in subparagraph (A), by striking out ''the reservation'' and inserting in lieu thereof ''the installation''; and

(B) in subparagraph (B), by striking out ''the military reservation'' and inserting in lieu thereof ''the military installation'';

(3) in section 101(c) (16 U.S.C. 670a(c))—

(A) in paragraph (1), by striking out ''a military reservation'' and inserting in lieu thereof ''a military installation''; and

(B) in paragraph (2), by striking out ''the reservation'' and inserting in lieu thereof ''the installation'';

(4) in section 101(e) (16 U.S.C. 670a(e)), by striking ''the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.)'' and inserting ''chapter 63 of title 31, United States Code'';

(5) in section 102 (16 U.S.C. 670b), by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(6) in section 103 (16 U.S.C. 670c)—

(A) by striking out ''military reservations'' and inserting in lieu thereof ''military installations''; and

(B) by striking out ''such reservations'' and inserting in lieu thereof ''the installations''.

SEC. 2914. AUTHORIZATIONS OF APPROPRIATIONS.

(a) CONSERVATION PROGRAMS ON MILITARY INSTALLATIONS.—Subsections (b) and (c) of section 108 of the Sikes Act (as redesignated by section 2909(1)) are each amended by striking out ''1983'' and all that follows through ''1993,'' and inserting in lieu thereof ''1998 through 2003,''.

(b) CONSERVATION PROGRAMS ON PUBLIC LANDS.—Section 209 of the Sikes Act (16 U.S.C. 670o) is amended—

(1) in subsection (a), by striking out ''the sum of $10,000,000'' and all that follows through ''to enable the Secretary of the Interior'' and inserting in lieu thereof ''$4,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of the Interior''; and

(2) in subsection (b), by striking out ''the sum of $12,000,000'' and all that follows through ''to enable the Secretary of Agriculture'' and inserting in lieu thereof ''$5,000,000 for each of fiscal years 1998 through 2003, to enable the Secretary of Agriculture''.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

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Sec. 3102. Environmental restoration and waste management.
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Sec. 3162. Submittal of annual report on status of security functions at nuclear weapons facilities.
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Sec. 3166. Sense of Congress regarding the Y–12 Plant in Oak Ridge, Tennessee.
Sec. 3167. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.
Sec. 3168. Improvements to Greenville Road, Livermore, California.
Sec. 3169. Report on alternative system for availability of funds.
Sec. 3170. Report on remediation under the Formerly Utilized Sites Remedial Action Program.

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,867,150,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,387,100,000, to be allocated as follows:

(A) For operation and maintenance, $1,288,290,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $98,810,000, to be allocated as follows:

Project 97–D–102, dual-axis radiographic hydrotest facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $46,300,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,810,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $13,400,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $19,300,000.

(2) For inertial fusion, $414,800,000, to be allocated as follows:

(A) For operation and maintenance, $217,000,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), $197,800,000, to be allocated as follows:

Project 96–D–111, national ignition facility, location to be determined, $197,800,000.

(3) For technology transfer and education, $65,250,000, to be allocated as follows:

(A) For technology transfer, $56,250,000.

(B) For education, $9,000,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,052,150,000, to be allocated as follows:

(1) For operation and maintenance, $1,891,265,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $160,885,000, to be allocated as follows:

Project 98–D–123, stockpile management restructuring initiative, tritium factory modernization and consolidation, Savannah River Site, Aiken, South Carolina, $11,000,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $6,450,000.

Project 98–D–125, tritium extraction facility, Savannah River Site, Aiken, South Carolina, $9,650,000.

Project 98–D–126, accelerator production of tritium, various locations, $67,865,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,200,000.

Project 97–D–124, steam plant wastewater treatment facility upgrade, Y–12 Plant, Oak Ridge, Tennessee, $1,900,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $6,900,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $2,700,000.

Project 95–D–102, chemistry and metallurgy research (CMR) upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $5,000,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $12,600,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $1,400,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $2,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $2,100,000.

Project 92–D–126, replace emergency notification system, various locations, $3,200,000.

Project 88–D–122, facilities capability assurance program, various locations, $18,920,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out weapons activities necessary for national security programs in the amount of $250,000,000.

(d) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by $22,608,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,010,973,000, of which $388,000,000 shall be allocated to the uranium enrichment decontamination and decommissioning fund.

(b) DEFENSE ENVIRONMENTAL MANAGEMENT CLOSURE PROJECTS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for closure projects in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $875,000,000, to be allocated as follows:

Project 98–CLR–1, Rocky Flats Closure Site, Denver, Colorado, $648,400,000.

Project 98–CLR–2, Fernald Environmental Management Project, Fernald, Ohio, $226,600,000.

(c) WASTE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,571,644,000, to be allocated as follows:

(1) For operation and maintenance, $1,490,876,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $80,768,000, to be allocated as follows:

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $1,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $13,961,000.

Project 96–D–408, waste management upgrades, various locations, $8,200,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, $176,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $3,800,000.

Project 95–D–407, 219–S secondary containment upgrade, Richland, Washington, $2,500,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $1,219,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $15,100,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $17,520,000.

Project 92–D–172, hazardous waste treatment and processing facility, Pantex Plant, Amarillo, Texas, $5,000,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $1,042,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $11,250,000.

(d) TECHNOLOGY DEVELOPMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $220,000,000.

(e) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,256,821,000, to be allocated as follows:

(1) For operation and maintenance, $1,176,114,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $80,707,000, to be allocated as follows:

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $8,136,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering Laboratory, Idaho, $500,000.

Project 97–D–450, actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $18,000,000.

Project 97–D–451, B-Plant safety class ventilation upgrades, Richland, Washington, $2,000,000.

Project 97–D–470, environmental monitoring laboratory/health physics site support facility, Savannah River Site, Aiken, South Carolina, $5,600,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $16,744,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $2,927,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $14,985,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,500,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River Site, South Carolina, $2,713,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $602,000.

(f) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $345,751,000.

(g) POLICY AND MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for policy and management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $20,000,000.

(h) ENVIRONMENTAL SCIENCE PROGRAM.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for the environmental science program in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $55,000,000.

(i) DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for environmental management privatization projects in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $224,700,000, to be allocated as follows:

Project 98–PVT–1, contact handled transuranic waste transportation, Carlsbad, New Mexico, $21,000,000.

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $27,000,000.

Project 98–PVT–3, waste pits remedial action, Fernald, Ohio, $25,000,000.

Project 98–PVT–4, spent nuclear fuel transfer and storage, Savannah River, South Carolina, $25,000,000.

Project 98–PVT–5, waste disposal, Oak Ridge, Tennessee, $5,000,000.

Project 98–PVT–6, Ohio silo 3 waste treatment, Fernald, Ohio, $6,700,000.

Project 97–PVT–1, tank waste remediation system phase 1, Hanford, Washington, $115,000,000.

(j) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section for subsections (a) through (h) is the sum of the amounts authorized to be appropriated in those subsections reduced by $50,000,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for other defense activities in carrying out programs necessary for national security in the amount of $1,642,310,000, to be allocated as follows:

(1) For verification and control technology, $478,200,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $210,000,000.

(B) For arms control, $234,600,000.

(C) For intelligence, $33,600,000.

(2) For nuclear safeguards and security, $47,200,000.

(3) For security investigations, $25,000,000.

(4) For emergency management, $20,000,000.

(5) For program direction, $78,900,000.

(6) For worker and community transition assistance, $61,159,000, to be allocated as follows:

(A) For worker and community transition, $57,659,000.

(B) For program direction, $3,500,000.

(7) For fissile materials control and disposition, $103,451,000, to be allocated as follows:

(A) For operation and maintenance, $99,451,000.

(B) For program direction, $4,000,000.

(8) For environment, safety, and health, defense, $94,000,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $74,000,000.

(B) For program direction, $20,000,000.

(9) For the Office of Hearings and Appeals, $1,900,000.

(10) For nuclear energy, $47,000,000, to be allocated as follows:

(A) For nuclear technology research and development (electrometallurgical), $12,000,000.

(B) For international nuclear safety (Soviet-designed reactors), $35,000,000.

(11) For naval reactors development, $670,500,000, to be allocated as follows:

(A) For operation and maintenance, $635,920,000.

(B) For program direction, $20,080,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $14,500,000, to be allocated as follows:

Project 98–D–200, site laboratory/facility upgrade, various locations, $5,700,000.

Project 97–D–201, advanced test reactor secondary coolant refurbishment, Idaho National Engineering Laboratory, Idaho, $4,600,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $1,100,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,100,000.

(12) For independent assessment of Department of Energy projects, $15,000,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in paragraphs (1) through (12) of subsection (a) reduced by $6,047,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1998 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $190,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $5,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(c) LIMITATION.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2000.

SEC. 3129. TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Only one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under subsection (a) may not exceed $5,000,000 in a fiscal year.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A project listed in subsection (c) or (e) of section 3102 being carried out by the office.

(B) A program referred to in subsection (a), (c), (d), or (e) of section 3102 being carried out by the office.

(C) A project or program not described in subparagraph (A) or (B) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 1997, and ending on September 30, 1998.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. MEMORANDUM OF UNDERSTANDING FOR USE OF NATIONAL LABORATORIES FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) MEMORANDUM OF UNDERSTANDING.—The Secretary of Energy and the Secretary of Defense shall enter into a memorandum of understanding for the purpose of improving and facilitating the use by the Secretary of Defense of the expertise of the national laboratories for the ballistic missile defense programs of the Department of Defense.

(b) ASSISTANCE.—The memorandum of understanding shall provide that the Secretary of Defense shall request such assistance with respect to the ballistic missile defense programs of the Department of Defense as the Secretary of Defense and the Secretary of Energy determine can be provided through the technical skills and experience of the national laboratories, using such financial arrangements as the Secretaries determine are appropriate.

(c) ACTIVITIES.—The memorandum of understanding shall provide that the national laboratories shall carry out those activities necessary to respond to requests for assistance from the Secretary of Defense referred to in subsection (b). Such activities may include the identification of technical modifications and test techniques, the analysis of physics problems, the consolidation of range and test activities, and the analysis and simulation of theater missile defense deployment problems.

(d) NATIONAL LABORATORIES.—For purposes of this section, the national laboratories are—

(1) the Lawrence Livermore National Laboratory, Livermore, California;

(2) the Los Alamos National Laboratory, Los Alamos, New Mexico; and

(3) the Sandia National Laboratories, Albuquerque, New Mexico.

SEC. 3132. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.

(a) AUTHORITY TO ENTER INTO CONTRACTS.—The Secretary of Energy may, using funds authorized to be appropriated by section 3102(i) for a project referred to in that section, enter into a contract that—

(1) is awarded on a competitive basis;

(2) requires the contractor to construct or acquire any equipment or facilities required to carry out the contract;

(3) requires the contractor to bear any of the costs of the construction, acquisition, and operation of such equipment or facilities that arise before the commencement of the provision of goods or services under the contract; and

(4) provides for payment to the contractor under the contract only upon the meeting of performance specifications in the contract.

(b) NOTICE AND WAIT.—(1) The Secretary may not enter into a contract under subsection (a), exercise an authorization to proceed with such a contract or extend any contract period for such a contract by more than one year until 30 days after the date on which the Secretary submits to the congressional defense committees a report with respect to the contract.

(2) Except as provided in paragraph (3), a report under paragraph (1) with respect to a contract shall set forth—

(A) the anticipated costs and fees of the Department under the contract, including the anticipated maximum amount of such costs and fees;

(B) any performance specifications in the contract;

(C) the anticipated dates of commencement and completion of the provision of goods or services under the contract;

(D) the allocation between the Department and the contractor of any financial, regulatory, or environmental obligations under the contract;

(E) any activities planned or anticipated to be required with respect to the project after completion of the contract;

(F) the site services or other support to be provided the contractor by the Department under the contract;

(G) the goods or services to be provided by the Department or contractor under the contract, including any additional obligations to be borne by the Department or contractor with respect to such goods or services;

(H) if the contract provides for financing of the project by an entity or entities other than the United States, a detailed comparison of the costs of financing the project through such entity or entities with the costs of financing the project by the United States;

(I) the schedule for the contract;

(J) the costs the Department would otherwise have incurred in obtaining the goods or services covered by the contract if the Department had not proposed to obtain the goods or services under this section;

(K) an estimate and justification of the cost savings, if any, to be realized through the contract, including the assumptions underlying the estimate;

(L) the effect of the contract on any ancillary schedules applicable to the facility concerned,

including milestones in site compliance agreements; and

(M) the plans for maintaining financial and programmatic accountability for activities under the contract.

(3) In the case of a contract under subsection (a) at the Hanford Reservation, the report under paragraph (1) shall set forth—

(A) the matters specified in paragraph (2); and

(B) if the contract contemplates two pilot vitrification plants—

(i) an analysis of the basis for the selection of each of the plants in lieu of a single pilot vitrification plant; and

(ii) a detailed comparison of the costs to the United States of two pilot plants with the costs to the United States of a single pilot plant.

(c) COST VARIATIONS.—(1)(A) The Secretary may not enter into a contract for a project referred to in subparagraph (B), or obligate funds attributable to the capital portion of the cost of such a contract, whenever the current estimated cost of the project exceeds the amount of the estimated cost of the project as shown in the most recent budget justification data submitted to Congress.

(B) Subparagraph (A) applies to the following:

(i) A project authorized by section 3102(i).

(ii) A project authorized by section 3103 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2824) for which a contract has not been entered into as of the date of enactment of this Act.

(2) The Secretary may not obligate funds attributable to the capital portion of the cost of a contract entered into before such date for a project authorized by such section 3103 whenever the current estimated cost of the project equals or exceeds 110 percent of the amount of the estimated cost of the project as shown in the most recent budget justification data submitted to Congress.

(d) USE OF FUNDS FOR TERMINATION OF CONTRACT.—Not later than 15 days before the Secretary obligates funds available for a project authorized by section 3102(i) to terminate the contract for the project under subsection (a), the Secretary shall notify the congressional defense committees of the Secretary's intent to obligate the funds for that purpose.

(e) ANNUAL REPORT ON CONTRACTS.—(1) Not later than February 28 of each year, the Secretary shall submit to the congressional defense committees a report on the activities, if any, carried out under each contract referred to in paragraph (2) during the preceding year. The report shall include an update with respect to each such contract of the matters specified under subsection (b)(1) as of the date of the report.

(2) A contract referred to in paragraph (1) is the following:

(A) A contract under subsection (a) for a project referred to in that subsection.

(B) A contract under section 3103 of the National Defense Authorization Act for Fiscal Year 1997.

(f) ASSESSMENT OF CONTRACTING WITHOUT SUFFICIENT APPROPRIATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to the congressional defense committees a report assessing whether, and under what circumstances, the Secretary could enter into contracts for defense environmental management privatization projects in the absence of sufficient appropriations to meet obligations under such contracts without thereby violating the provisions of section 1341 of title 31, United States Code.

SEC. 3133. INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.

(a) FUNDING PROHIBITION.—No funds authorized to be appropriated or otherwise available to the Department of Energy for fiscal year 1998 may be obligated or expended to conduct any activities associated with international cooperative stockpile stewardship.

(b) EXCEPTIONS.—Subsection (a) does not apply to the following:

(1) Activities conducted between the United States and the United Kingdom.

(2) Activities conducted between the United States and France.

(3) Activities carried out under title III of this Act relating to cooperative threat reduction with states of the former Soviet Union.

SEC. 3134. MODERNIZATION OF ENDURING NUCLEAR WEAPONS COMPLEX.

(a) FUNDING.—Subject to subsection (b), of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, $85,000,000 shall be available for carrying out the program described in section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note).

(b) LIMITATION ON AVAILABILITY.—None of the funds available under subsection (a) for carrying out the program referred to in that subsection may be obligated or expended until 30 days after the date of the receipt by Congress of the report required under subsection (c).

(c) REPORT ON ALLOCATION OF FUNDS.—Not later than 30 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a report setting forth the proposed allocation among specific Department of Energy sites of the funds available under subsection (a) for the program referred to in that subsection.

SEC. 3135. TRITIUM PRODUCTION.

(a) TRITIUM PRODUCTION DECISION.—(1) Not later than December 31, 1998, the Secretary of Energy shall make a final decision on the technologies to be utilized, and the schedule to be adopted, for tritium production in order to meet the requirements in the Nuclear Weapons Stockpile Memorandum relating to tritium production, including the tritium production date of 2005 specified in the Nuclear Weapons Stockpile Memorandum.

(2) In making the final decision, the Secretary shall take into account the following:

(A) The requirements for tritium production specified in the Nuclear Weapons Stockpile Memorandum, including, in particular, the requirements for the so-called ''upload hedge'' component of the nuclear weapons stockpile.

(B) The activities of the Department of Energy relating to the evaluation and demonstration of technologies under the accelerator program and the commercial light water reactor program.

(C) The potential liabilities and benefits of each potential technology for tritium production, including—

(i) regulatory and other barriers that might prevent the production of tritium using the technology by the production date referred to in paragraph (1);

(ii) potential difficulties, if any, in licensing the technology;

(iii) the variability, if any, in tritium production rates using the technology; and

(iv) any other benefits (including scientific or research benefits or the generation of revenue) associated with the technology.

(b) REPORTS ON DECISION.—(1) Upon making a final decision under paragraph (1) of subsection (a), the Secretary shall submit to the congressional defense committees a report on the final decision. The report shall include an assessment of how the selected technology addresses the items taken into account under paragraph (2) of that subsection.

(2) If the Secretary determines that it is not possible to make the final decision by the date specified in paragraph (1) of subsection (a), the Secretary shall submit to the congressional defense committees on that date a report that explains in detail why the final decision cannot be made by that date.

(c) LIMITATION ON AVAILABILITY OF FUNDS.—The Secretary may not obligate or expend any funds authorized to be appropriated or otherwise made available for the Department of Energy by this Act for the purpose of evaluating or utilizing any technology for the production of tritium other than a commercial light water reactor or an accelerator until the later of—

(1) January 31, 1999; or

(2) the date that is 30 days after the date on which the Secretary makes a final decision under subsection (a).

SEC. 3136. PROCESSING, TREATMENT, AND DISPOSITION OF SPENT NUCLEAR FUEL RODS AND OTHER LEGACY NUCLEAR MATERIALS AT THE SAVANNAH RIVER SITE.

(a) FUNDING.—Of the funds authorized to be appropriated pursuant to section 3102(e), not more than $47,000,000 shall be available for the implementation of a program to accelerate the receipt, processing (including the H-canyon restart operations), reprocessing, separation, reduction, deactivation, stabilization, isolation, and interim storage of high level nuclear waste associated with Department of Energy spent fuel rods, foreign spent fuel rods, and other nuclear materials that are located at the Savannah River Site.

(b) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—The Secretary of Energy shall continue operations and maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River Site and shall provide technical staff necessary to operate and maintain such facilities at that state of readiness.

SEC. 3137. LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT PURPOSES.

(a) GENERAL LIMITATIONS.—(1) No funds authorized to be appropriated or otherwise made available to the Department of Energy in any fiscal year after fiscal year 1997 for weapons activities may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the national security mission of the Department of Energy.

(2) No funds authorized to be appropriated or otherwise made available to the Department of Energy in any fiscal year after fiscal year 1997 for environmental restoration, waste management, or nuclear materials and facilities stabilization may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the environmental restoration mission, waste management mission, or materials stabilization mission, as the case may be, of the Department of Energy.

(b) LIMITATION IN FISCAL YEAR 1998 PENDING SUBMITTAL OF ANNUAL REPORT.—Not more than 30 percent of the funds authorized to be appropriated or otherwise made available to the Department of Energy in fiscal year 1998 for laboratory directed research and development may be obligated or expended for such research and development until the Secretary of Energy submits to the congressional defense committees the report required by section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b) in 1998.

(c) SUBMITTAL DATE FOR ANNUAL REPORT ON LABORATORY DIRECTED RESEARCH AND DEVELOPMENT PROGRAM.—Paragraph (1) of section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b) is amended by striking out ''The Secretary of Energy shall annually submit'' and inserting in lieu thereof ''Not later than February 1 each year, the Secretary of Energy shall submit''.

(d) ASSESSMENT OF FUNDING LEVEL FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—The Secretary shall include in the report

submitted under such section 3136(b)(1) in 1998 an assessment of the funding required to carry out laboratory directed research and development, including a recommendation for the percentage of the funds provided to Government-owned, contractor-operated laboratories for national security activities that should be made available for such research and development under section 3132(c) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(c)).

(e) DEFINITION.—In this section, the term ''laboratory directed research and development'' has the meaning given that term in section 3132(d) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(d)).

SEC. 3138. PILOT PROGRAM RELATING TO USE OF PROCEEDS OF DISPOSAL OR UTILIZATION OF CERTAIN DEPARTMENT OF ENERGY ASSETS.

(a) PURPOSE.—The purpose of this section is to encourage the Secretary of Energy to dispose of or otherwise utilize certain assets of the Department of Energy by making available to the Secretary the proceeds of such disposal or utilization for purposes of defraying the costs of such disposal or utilization.

(b) USE OF PROCEEDS TO DEFRAY COSTS.—(1) Notwithstanding section 3302 of title 31, United States Code, the Secretary may retain from the proceeds of the sale, lease, or disposal of an asset under subsection (c) an amount equal to the cost of the sale, lease, or disposal of the asset. The Secretary shall utilize amounts retained under this paragraph to defray the cost of the sale, lease, or disposal.

(2) For purposes of paragraph (1), the cost of a sale, lease, or disposal shall include—

(A) the cost of administering the sale, lease, or disposal;

(B) the cost of recovering or preparing the asset concerned for the sale, lease, or disposal; and

(C) any other cost associated with the sale, lease, or disposal.

(c) COVERED TRANSACTIONS.—Subsection (b) applies to the following transactions:

(1) The sale of heavy water at the Savannah River Site, South Carolina, that is under the jurisdiction of the Defense Environmental Management Program.

(2) The sale of precious metals that are under the jurisdiction of the Defense Environmental Management Program.

(3) The lease of buildings and other facilities located at the Hanford Reservation, Washington, that are under the jurisdiction of the Defense Environmental Management Program.

(4) The lease of buildings and other facilities located at the Savannah River Site that are under the jurisdiction of the Defense Environmental Management Program.

(5) The disposal of equipment and other personal property located at the Rocky Flats Defense Environmental Technology Site, Colorado, that is under the jurisdiction of the Defense Environmental Management Program.

(6) The disposal of materials at the National Electronics Recycling Center, Oak Ridge, Tennessee, that are under the jurisdiction of the Defense Environmental Management Program.

(d) APPLICABILITY OF DISPOSAL AUTHORITY.—Nothing in this section shall be construed to limit the application of sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483 and 484(j)) to the disposal of equipment and other personal property covered by this section.

(e) REPORT.—Not later than January 31, 1999, the Secretary shall submit to the congressional defense committees a report on amounts retained by the Secretary under subsection (b) during fiscal year 1998.

SEC. 3139. MODIFICATION AND EXTENSION OF AUTHORITY RELATING TO APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

(a) REPEAL OF REQUIREMENT FOR EPA STUDY.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095; 42 U.S.C. 7231 note) is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(b) EXTENSION OF AUTHORITY.—Paragraph (1) of subsection (c) of such section, as so redesignated, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1999''.

SEC. 3140. LIMITATION ON USE OF FUNDS FOR SUBCRITICAL NUCLEAR WEAPONS TESTS.

(a) LIMITATION.—The Secretary of Energy may not conduct any subcritical nuclear weapons tests using funds appropriated or otherwise available to the Secretary for fiscal year 1998 until the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a detailed report on the use of the funds available to the Secretary for fiscal years 1996 and 1997 to conduct such tests.

(b) EXCEPTION.—Subsection (a) shall not apply to the use of funds covered by that subsection for subcritical nuclear weapons tests if the Secretary—

(1) determines that the use of such funds for such tests is urgently required to meet national security interests; and

(2) notifies Congress of that determination before using such funds for such tests.

SEC. 3141. LIMITATION ON USE OF CERTAIN FUNDS UNTIL FUTURE USE PLANS ARE SUBMITTED.

(a) LIMITATION.—(1) Subject to paragraph (2), the Secretary of Energy may not use more than 80 percent of the funds available to the Secretary pursuant to the authorization of appropriations in section 3102(g) until the Secretary submits the plans described in subsection (b).

(2) The limitation in paragraph (1) shall cease to be in effect if the Secretary submits, by March 15, 1998, the report described in subsection (c).

(b) PLANS.—The plans referred to in subsection (a)(1) are the draft future use plan and the final future use plan required under section 3153(f) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2840; 42 U.S.C. 7274k note).

(c) REPORT.—If the Secretary is unable to submit all of the plans described in subsection (b) by the deadlines set forth in such section 3153(f), the Secretary shall submit to Congress a report containing, for each plan that will not be submitted by the applicable deadline—

(1) the status of the plan;

(2) the reasons why the plan cannot be submitted by the applicable deadline; and

(3) the date by which the plan will be submitted.

Subtitle D—Other Matters

SEC. 3151. PLAN FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN THE NUCLEAR WEAPONS STOCKPILE.

(a) PLAN REQUIREMENT.—The Secretary of Energy shall develop and annually update a plan for maintaining the nuclear weapons stockpile. The plan shall cover, at a minimum, stockpile stewardship, stockpile management, and program direction and shall be consistent with the programmatic and technical requirements of the most recent annual Nuclear Weapons Stockpile Memorandum.

(b) PLAN ELEMENTS.—The plan and each update of the plan shall set forth the following:

(1) The number of warheads (including active and inactive warheads) for each warhead type in the nuclear weapons stockpile.

(2) The current age of each warhead type, and any plans for stockpile lifetime extensions and modifications or replacement of each warhead type.

(3) The process by which the Secretary of Energy is assessing the lifetime, and requirements for lifetime extension or replacement, of the nuclear and nonnuclear components of the warheads (including active and inactive warheads) in the nuclear weapons stockpile.

(4) The process used in recertifying the safety, security, and reliability of each warhead type in the nuclear weapons stockpile.

(5) Any concerns which would affect the ability of the Secretary of Energy to recertify the safety, security, or reliability of warheads in the nuclear weapons stockpile (including active and inactive warheads).

(c) ANNUAL SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Energy shall submit to Congress the plan developed under subsection (a) not later than March 15, 1998, and shall submit an updated version of the plan not later than March 15 of each year thereafter. The plan shall be submitted in both classified and unclassified form.

SEC. 3152. REPEAL OF OBSOLETE REPORTING REQUIREMENTS.

(a) ANNUAL REPORT ON ACTIVITIES OF THE ATOMIC ENERGY COMMISSION.—(1) Section 251 of the Atomic Energy Act of 1954 (42 U.S.C. 2016) is repealed.

(2) The table of sections at the beginning of that Act is amended by striking out the item relating to section 251.

(b) ANNUAL REPORT ON WEAPONS ACTIVITIES BUDGETS.—Section 3156 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2841; 42 U.S.C. 7271c) is repealed.

(c) ANNUAL UPDATE OF MASTER PLAN FOR NUCLEAR WEAPONS STOCKPILE.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624; 42 U.S.C. 2121 note) is repealed.

(d) ANNUAL REPORT ON WEAPONS ACTIVITIES BUDGETS.—Section 3159 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626; 42 U.S.C. 7271b note) is repealed.

(e) ANNUAL REPORT ON STOCKPILE STEWARDSHIP PROGRAM.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note) is amended—

(1) by striking out subsections (d) and (e);

(2) by redesignating subsections (f), (g), and (h) as subsections (d), (e), and (f), respectively; and

(3) in subsection (e), as so redesignated, by striking out ''and the 60-day period referred to in subsection (e)(2)(A)(ii)''.

(f) ANNUAL REPORT ON DEVELOPMENT OF TRITIUM PRODUCTION CAPACITY.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2639) is repealed.

(g) ANNUAL REPORT ON RESEARCH RELATING TO DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.—Section 3141 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1679; 42 U.S.C. 7274a) is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(h) QUARTERLY REPORT ON MAJOR DOE NATIONAL SECURITY PROGRAMS.—Section 3143 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1681; 42 U.S.C. 7271a) is repealed.

(i) ANNUAL REPORT ON NUCLEAR TEST BAN READINESS PROGRAM.—Section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075; 42 U.S.C. 2121 note) is amended by striking out subsection (e).

SEC. 3153. STUDY AND FUNDING RELATING TO IMPLEMENTATION OF WORKFORCE RESTRUCTURING PLANS.

(a) STUDY REQUIREMENT.—The Secretary of Energy shall conduct a study on the effects of workforce restructuring plans for defense nuclear facilities developed pursuant to section

3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(b) MATTERS COVERED BY STUDY.— The study shall cover the four-year period preceding the date of the enactment of this Act and shall include the following:

(1) An analysis of the number of jobs created by any employee retraining, education, and reemployment assistance and any community impact assistance provided in each workforce restructuring plan developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993.

(2) An analysis of other benefits provided pursuant to such plans, including any assistance provided to community reuse organizations.

(3) A description of the funds expended, and the funds obligated but not expended, pursuant to such plans as of the date of the report.

(4) A description of the criteria used since October 23, 1992, in providing assistance pursuant to such plans.

(5) A comparison of any similar benefits provided—

(A) pursuant to such a plan to employees whose employment at the defense nuclear facility covered by the plan is terminated; and

(B) to employees whose employment at a facility where more than 50 percent of the revenues are derived from contracts with the Department of Defense has been terminated as a result of cancellation, termination, or completion of contracts with the Department of Defense and the employees whose employment is terminated constitute more than 15 percent of the employees at that facility.

(c) CONDUCT OF STUDY.—(1) The study shall be conducted through a contract with an independent private auditing firm.

(2) The Secretary of Energy may not enter into any contract for the conduct of the study until the Secretary submits a notification of the proposed contract award to the congressional defense committees.

(3) The Secretary of Energy and the Secretary of Defense shall each ensure that any firm conducting the study is provided access to all documents in the possession of the Department of Energy or the Department of Defense, as the case may be, that are relevant to the study, including documents in the possession of the Inspector General of the Department of Energy or the Inspector General of the Department of Defense.

(d) REPORT ON STUDY.—The Secretary of Energy shall submit a report to Congress on the results of the study not later than March 31, 1998.

(e) LIMITATION ON USE OF FUNDS FOR LOCAL IMPACT ASSISTANCE.—(1) None of the funds authorized to be appropriated to the Department of Energy pursuant to section 3103(6) may be used for local impact assistance pursuant to a plan under section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) until—

(A) with respect to assistance referred to in section 3161(c)(6)(A) of such Act, the Secretary of Energy coordinates with, provides a copy of the plan to, and obtains the approval of the Secretary of Labor; and

(B) with respect to assistance referred to in section 3161(c)(6)(C) of such Act, the Secretary of Energy coordinates with, provides a copy of the plan to, and obtains the approval of the Secretary of Commerce.

(2) For purposes of paragraph (1), if the Secretary of Labor or the Secretary of Commerce does not disapprove a plan within 60 days after receiving a copy of the plan, the plan is deemed to be approved.

(f) SEMIANNUAL REPORT TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—The Secretary of Energy shall submit to Congress every six months a report setting forth a description of, and the amount or value of, all local impact assistance provided during the preceding six months under section 3161(c)(6) of the National Defense Authorization Act of 1993 (42 U.S.C. 7274h(c)(6)).

(g) EFFECT ON USEC PRIVATIZATION ACT.— Nothing in this section shall be construed as diminishing or affecting the obligations of the Secretary of Energy under section 3110(a)(5) of the USEC Privatization Act (Public Law 104–134; 110 Stat. 1321–341; 42 U.S.C. 2297h–8(a)(5)).

(h) DEFINITION.—In this section, the term ''defense nuclear facility'' has the meaning provided the term ''Department of Energy defense nuclear facility'' in section 3163 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274j).

SEC. 3154. REPORT AND PLAN FOR EXTERNAL OVERSIGHT OF NATIONAL LABORATORIES.

(a) REPORT.—Not later than July 1, 1999, the Secretary of Energy shall submit to Congress a report on the external oversight of the national laboratories.

(b) MATTERS COVERED.—The report shall contain the following:

(1) A description of the external oversight practices at the national laboratories and an analysis of the effectiveness of such practices, including the effect of such practices on the productivity of the laboratories and the research conducted by the laboratories.

(2) Recommendations regarding the continuation, consolidation, or discontinuation of the external oversight practices described in paragraph (1), and the rationale for the recommendations.

(3) Recommendations for any new external oversight practices that should be implemented, and the rationale for the recommendations.

(4) A plan for carrying out the recommendations.

(c) NATIONAL LABORATORIES COVERED.—For purposes of this section, the national laboratories are—

(1) the Lawrence Livermore National Laboratory, Livermore, California;

(2) the Los Alamos National Laboratory, Los Alamos, New Mexico; and

(3) the Sandia National Laboratories, Albuquerque, New Mexico.

SEC. 3155. UNIVERSITY-BASED RESEARCH COLLABORATION PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) The maintenance of scientific and engineering competence in the United States is vital to long-term national security and the defense and national security missions of the Department of Energy.

(2) Engaging the universities and colleges of the Nation in research on long-range problems of vital national security interest will be critical to solving the technology challenges faced within the defense and national security programs of the Department of Energy in the next century.

(3) Enhancing collaboration among the national laboratories, universities and colleges, and industry will contribute significantly to the performance of these Department of Energy missions.

(b) PROGRAM.—The Secretary of Energy shall establish a university program at a location that can develop the most effective collaboration among national laboratories, universities and colleges, and industry in support of scientific and engineering advancement in key Department of Energy defense and national security program areas.

(c) FUNDING.—Of the funds authorized to be appropriated in this title to the Department of Energy for fiscal year 1998, the Secretary shall make $5,000,000 available for the establishment and operation of the program under subsection (b).

SEC. 3156. STOCKPILE STEWARDSHIP PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) Eliminating the threat posed by nuclear weapons to the United States is an important national security goal.

(2) As long as nuclear threats remain, the nuclear deterrent of the United States must be effective and reliable.

(3) A safe, secure, effective, and reliable United States nuclear stockpile is central to the current nuclear deterrence strategy of the United States.

(4) The Secretary of Energy has undertaken a stockpile stewardship and management program to ensure the safety, security, effectiveness, and reliability of the nuclear weapons stockpile of the United States, consistent with all United States treaty requirements and the requirements of the nuclear deterrence strategy of the United States.

(5) It is the policy of the current administration that new nuclear warhead designs are not required to effectively implement the nuclear deterrence strategy of the United States.

(b) POLICY.—It is the policy of the United States that—

(1) activities of the stockpile stewardship program shall be directed toward ensuring that the United States possesses a safe, secure, effective, and reliable nuclear stockpile, consistent with the national security requirements of the United States; and

(2) stockpile stewardship activities of the United States shall be conducted in conformity with the terms of the Treaty on the Non-Proliferation of Nuclear Weapons and the Comprehensive Test Ban Treaty signed by the President on September 24, 1996, when and if that treaty enters into force.

SEC. 3157. REPORTS ON ADVANCED SUPERCOMPUTER SALES TO CERTAIN FOREIGN NATIONS.

(a) REPORTS.—The Secretary of Energy shall require that any company that is a participant in the Accelerated Strategic Computing Initiative (ASCI) program of the Department of Energy report to the Secretary and to the Secretary of Defense each sale by that company to a country designated as a Tier III country of a computer capable of operating at a speed in excess of 2,000 millions theoretical operations per second (MTOPS). The report shall include a description of the following with respect to each such sale:

(1) The anticipated end-use of the computer sold.

(2) The software included with the computer.

(3) Any arrangement under the terms of the sale regarding—

(A) upgrading the computer;

(B) servicing the computer; or

(C) furnishing spare parts for the computer.

(b) COVERED COUNTRIES.—For purposes of this section, the countries designated as Tier III countries are the countries listed as ''computer tier 3'' eligible countries in part 740.7 of title 15 of the Code of Federal Regulations, as in effect on June 10, 1997 (or any successor list).

(c) QUARTERLY SUBMISSION OF REPORTS.—The Secretary of Energy shall require that reports under subsection (a) be submitted quarterly.

(d) ANNUAL REPORT.—The Secretary of Energy shall submit to Congress an annual report containing all information received under subsection (a) during the preceding year. The first annual report shall be submitted not later than July 1, 1998.

SEC. 3158. TRANSFERS OF REAL PROPERTY AT CERTAIN DEPARTMENT OF ENERGY FACILITIES.

(a) TRANSFER REGULATIONS.—(1) The Secretary of Energy shall prescribe regulations for the transfer by sale or lease of real property at Department of Energy defense nuclear facilities for the purpose of permitting the economic development of the property.

(2) The Secretary of Energy may not transfer real property under the regulations prescribed under paragraph (1) until—

(A) the Secretary submits a notification of the proposed transfer to the congressional defense committees; and

(B) a period of 30 days has elapsed following the date on which the notification is submitted.

(b) INDEMNIFICATION.—(1) Except as provided in paragraph (3) and subject to subsection (c),

in the sale or lease of real property pursuant to the regulations prescribed under subsection (a), the Secretary of Energy may hold harmless and indemnify a person or entity described in paragraph (2) against any claim for injury to person or property that results from the release or threatened release of a hazardous substance or pollutant or contaminant as a result of Department of Energy activities at the defense nuclear facility on which the real property is located. Before entering into any agreement for such a sale or lease, the Secretary shall notify the person or entity that the Secretary has authority to provide indemnification to the person or entity under this subsection. The Secretary shall include in any agreement for such a sale or lease a provision stating whether indemnification is or is not provided.

(2) Paragraph (1) applies to the following persons and entities:

(A) Any State that acquires ownership or control of real property of a defense nuclear facility.

(B) Any political subdivision of a State that acquires such ownership or control.

(C) Any other person or entity that acquires such ownership or control.

(3) To the extent the persons and entities described in paragraph (2) contributed to any such release or threatened release, paragraph (1) shall not apply.

(c) CONDITIONS.—(1) No indemnification on a claim for injury may be provided under this section unless the person or entity making a request for the indemnification—

(A) notifies the Secretary of Energy in writing within two years after such claim accrues;

(B) furnishes to the Secretary copies of pertinent papers received by the person or entity;

(C) furnishes evidence or proof of the claim;

(D) provides, upon request by the Secretary, access to the records and personnel of the person or entity for purposes of defending or settling the claim; and

(E) begins action within six months after the date of mailing, by certified or registered mail, of notice of final denial of the claim by the Secretary.

(2) For purposes of paragraph (1)(A), the date on which a claim accrues is the date on which the person asserting the claim knew (or reasonably should have known) that the injury to person or property referred to in subsection (b)(1) was caused or contributed to by the release or threatened release of a hazardous substance, pollutant, or contaminant as a result of Department of Energy activities at the defense nuclear facility on which the real property is located.

(d) AUTHORITY OF SECRETARY OF ENERGY.—(1) In any case in which the Secretary of Energy determines that the Secretary may be required to indemnify a person or entity under this section for any claim for injury to person or property referred to in subsection (b)(1), the Secretary may settle or defend the claim on behalf of that person or entity.

(2) In any case described in paragraph (1), if the person or entity that the Secretary may be required to indemnify does not allow the Secretary to settle or defend the claim, the person or entity may not be indemnified with respect to that claim under this section.

(e) RELATIONSHIP TO OTHER LAW.—Nothing in this section shall be construed as affecting or modifying in any way section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).

(f) DEFINITIONS.—In this section:

(1) The term ''defense nuclear facility'' has the meaning provided by the term ''Department of Energy defense nuclear facility'' in section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

(2) The terms ''hazardous substance'', ''release'', and ''pollutant or contaminant'' have the meanings provided by section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

SEC. 3159. REQUIREMENT TO DELEGATE CERTAIN AUTHORITIES TO SITE MANAGER OF HANFORD RESERVATION.

Section 3173(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2848; 42 U.S.C. 7274k) is amended—

(1) in paragraph (1)—

(A) by striking out ''In addition'' and inserting in lieu thereof ''Except as provided in paragraph (5), in addition''; and

(B) by striking out '' Act,'' and inserting in lieu thereof ''subtitle,''; and

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

''(5) In the case of the Hanford Reservation, Richland, Washington, the Secretary shall delegate to the Site Manager the authority described in paragraph (1) for fiscal year 1998. The Secretary may withdraw the delegated authority if the Secretary—

''(A) determines that the Site Manager of the Hanford Reservation has misused or misapplied that authority; and

''(B) the Secretary submits to Congress a notification of the Secretary's intent to withdraw the authority.''.

SEC. 3160. SUBMITTAL OF BIENNIAL WASTE MANAGEMENT REPORTS.

Section 3153(b)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 7274k(b)(2)(B)) is amended by striking out ''odd-numbered year after 1995'' and inserting in lieu thereof ''odd-numbered year after 1997''.

SEC. 3161. DEPARTMENT OF ENERGY SECURITY MANAGEMENT BOARD.

(a) ESTABLISHMENT.—(1) The Secretary of Energy shall establish a board to be known as the ''Department of Energy Security Management Board'' (in this section referred to as the ''Board'').

(2) The Board shall advise the Secretary on policy matters, operational concerns, strategic planning, personnel, budget, procurement, and development of priorities relating to the security functions of the Department of Energy.

(b) MEMBERS.—The Board shall be comprised of—

(1) the Secretary of Energy, who shall serve as chairman;

(2) the Director of the Office of Nonproliferation and National Security of the Department of Energy;

(3) the Assistant Secretary of Energy for Environmental Management;

(4) the Assistant Secretary of Energy for Defense Programs;

(5) the Assistant Secretary of Energy for Environment, Safety, and Health;

(6) the Associate Deputy Secretary of Energy for Field Management;

(7) three individuals selected by the Secretary of Defense and appointed by the Secretary of Energy;

(8) an individual selected by the Director of the Federal Bureau of Investigation and appointed by the Secretary of Energy; and

(9) an individual selected by the Director of Central Intelligence and appointed by the Secretary of Energy.

(c) APPOINTMENTS.—(1) The Secretary of Defense, the Director of the Federal Bureau of Investigation, and the Director of Central Intelligence shall consult with the Secretary of Energy in selecting individuals for appointment under paragraphs (7), (8), and (9), respectively, of subsection (b).

(2) The Secretary of Energy may not appoint as a member of the Board under paragraph (7), (8), or (9) of subsection (b) an officer or employee of the Department of Energy, an employee of a contractor or subcontractor of the Department, or an individual under contract with the Department.

(3) The Secretary of Energy shall appoint members of the Board under paragraphs (7), (8), and (9) of subsection (b) not later than January 15, 1998.

(d) VACANCIES.—Any vacancy in the Board shall be filled in the same manner as the original appointment.

(e) PERSONNEL MATTERS.—(1)(A) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board.

(B) All members of the Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(f) APPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Board under this section.

(g) TERMINATION.—The Board shall terminate on October 31, 2000.

(h) SECURITY FUNCTIONS DEFINED.—In this section, the term ''security functions'' means all Department of Energy activities related to the safeguarding and security of nuclear weapons and materials, protection of classified and unclassified controlled nuclear information, and physical and personnel security.

SEC. 3162. SUBMITTAL OF ANNUAL REPORT ON STATUS OF SECURITY FUNCTIONS AT NUCLEAR WEAPONS FACILITIES.

(a) IN GENERAL.—Not later than September 1 each year, the Secretary of Energy shall submit to the congressional defense committees the report entitled ''Annual Report to the President on the Status of Safeguards and Security of Domestic Nuclear Weapons Facilities'', or any successor report to such report.

(b) REQUIREMENT RELATING TO REPORTS THROUGH FISCAL YEAR 2000.—The Secretary shall include with each report submitted under subsection (a) in fiscal years 1998 through 2000 any comments on such report by the members of the Department of Energy Security Management Board established under section 3161 that such members consider appropriate.

SEC. 3163. MODIFICATION OF AUTHORITY ON COMMISSION ON MAINTAINING UNITED STATES NUCLEAR WEAPONS EXPERTISE.

(a) COMMENCEMENT OF ACTIVITIES.—Subsection (b)(1) of section 3162 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2844; 42 U.S.C. 2121 note) is amended, effective January 1, 1998—

(1) in subparagraph (C), by adding at the end the following new sentence: ''The chairman may be designated once five members of the Commission have been appointed under subparagraph (A).''; and

(2) by adding at the end the following:

''(E) The Commission may commence its activities under this section upon the designation of the chairman of the Commission under subparagraph (C).''.

(b) DEADLINE FOR REPORT.—Subsection (d) of that section is amended by striking out ''March 15, 1998,'' and inserting in lieu thereof ''March 15, 1999,''.

SEC. 3164. LAND TRANSFER, BANDELIER NATIONAL MONUMENT.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—The Secretary of Energy shall transfer to

the Secretary of the Interior administrative jurisdiction over a parcel of real property consisting of approximately 4.47 acres as depicted on the map entitled ''Boundary Map, Bandelier National Monument'', No. 315/80,051, dated March 1995.

(b) BOUNDARY MODIFICATION.—The boundary of the Bandelier National Monument established by Proclamation No. 1322 (16 U.S.C. 431 note) is modified to include the real property transferred under subsection (a).

(c) PUBLIC AVAILABILITY OF MAP.—The map described in subsection (a) shall be on file and available for public inspection in the Lands Office at the Southwest System Support Office of the National Park Service, Santa Fe, New Mexico, and in the office of the Superintendent of Bandelier National Monument.

(d) ADMINISTRATION.—The real property and interests in real property transferred under subsection (a) shall be—

(1) administered as part of Bandelier National Monument; and

(2) subject to all laws applicable to the Bandelier National Monument and all laws generally applicable to units of the National Park System.

SEC. 3165. FINAL SETTLEMENT OF DEPARTMENT OF ENERGY COMMUNITY ASSISTANCE OBLIGATIONS WITH RESPECT TO LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) IN GENERAL.—The Secretary of Energy shall—

(1) convey, without consideration, to the Incorporated County of Los Alamos, New Mexico (in this section referred to as the ''County''), or to the designee of the County, fee title to the parcels of land that are allocated for conveyance to the County in the agreement under subsection (e); and

(2) transfer to the Secretary of the Interior, in trust for the Pueblo of San Ildefonso (in this section referred to as the ''Pueblo''), administrative jurisdiction over the parcels that are allocated for transfer to the Secretary of the Interior in such agreement.

(b) PRELIMINARY IDENTIFICATION OF PARCELS OF LAND FOR CONVEYANCE OR TRANSFER.—(1) Not later than 90 days after the date of enactment of this Act, the Secretary of Energy shall submit to the congressional defense committees a report identifying the parcels of land under the jurisdiction of the Secretary at the Los Alamos National Laboratory that are suitable for conveyance or transfer under this section.

(2) A parcel is suitable for conveyance or transfer for purposes of paragraph (1) if the parcel—

(A) is not required to meet the national security mission of the Department of Energy or will not be required for that purpose before the end of the 10-year period beginning on the date of enactment of this Act;

(B) is likely to be conveyable or transferable, as the case may be, under this section not later than the end of such period; and

(C) is suitable for use for a purpose specified in subsection (h).

(c) REVIEW OF TITLE.—(1) Not later than one year after the date of enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the results of a title search on each parcel of land identified as suitable for conveyance or transfer under subsection (b), including an analysis of any claims against or other impairments to the fee title to each such parcel.

(2) In the period beginning on the date of the completion of the title search with respect to a parcel under paragraph (1) and ending on the date of the submittal of the report under that paragraph, the Secretary shall take appropriate actions to resolve the claims against or other impairments, if any, to fee title that are identified with respect to the parcel in the title search.

(d) ENVIRONMENTAL RESTORATION.—(1) Not later than 21 months after the date of enactment of this Act, the Secretary shall—

(A) identify the environmental restoration or remediation, if any, that is required with respect to each parcel of land identified under subsection (b) to which the United States has fee title;

(B) carry out any review of the environmental impact of the conveyance or transfer of each such parcel that is required under the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(C) submit to Congress a report setting forth the results of the activities under subparagraphs (A) and (B).

(2) If the Secretary determines under paragraph (1) that a parcel described in paragraph (1)(A) requires environmental restoration or remediation, the Secretary shall, to the maximum extent practicable, complete the environmental restoration or remediation of the parcel not later than 10 years after the date of enactment of this Act.

(e) AGREEMENT FOR ALLOCATION OF PARCELS.—As soon as practicable after completing the review of titles to parcels of land under subsection (c), the Secretary of the Interior, on behalf of the Pueblo and for the County, shall submit to the Secretary of Energy an agreement between the Secretary of the Interior and the County that allocates between the Secretary of the Interior and the County the parcels to which the United States has fee title.

(f) PLAN FOR CONVEYANCE AND TRANSFER.—(1) Not later than 90 days after the date of the submittal to the Secretary of Energy of the agreement under subsection (e), the Secretary shall submit to the congressional defense committees a plan for conveying or transferring parcels of land under this section in accordance with the allocation specified in the agreement.

(2) The plan under paragraph (1) shall provide for the completion of the conveyance or transfer of parcels under this section not later than 9 months after the date of the submittal of the plan under that paragraph.

(g) CONVEYANCE OR TRANSFER.—(1) Subject to paragraphs (2) and (3), the Secretary shall convey or transfer parcels of land in accordance with the allocation specified in the agreement submitted to the Secretary under subsection (e).

(2) In the case of a parcel allocated under the agreement that is not available for conveyance or transfer in accordance with the requirement in subsection (f)(2) by reason of its requirement to meet the national security mission of the Department, the Secretary shall convey or transfer the parcel, as the case may be, when the parcel is no longer required for that purpose.

(3)(A) In the case of a parcel allocated under the agreement that is not available for conveyance or transfer in accordance with such requirement by reason of requirements for environmental restoration or remediation, the Secretary shall convey or transfer the parcel, as the case may be, upon the completion of the environmental restoration or remediation that is required with respect to the parcel.

(B) If the Secretary determines that environmental restoration or remediation cannot reasonably be expected to be completed with respect to a parcel by the end of the 10-year period beginning on the date of enactment of this Act, the Secretary shall not convey or transfer the parcel under this section.

(h) USE OF CONVEYED OR TRANSFERRED LAND.—The parcels of land conveyed or transferred under this section shall be used for historic, cultural, or environmental preservation purposes, economic diversification purposes, or community self-sufficiency purposes.

(i) TREATMENT OF CONVEYANCES AND TRANSFERS.—(1) The purpose of the conveyances and transfers under this section is to fulfill the obligations of the United States with respect to Los Alamos National Laboratory, New Mexico, under sections 91 and 94 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391, 2394).

(2) Upon the completion of the conveyance or transfer of the parcels of land available for conveyance or transfer under this section, the Secretary shall make no further payments with respect to Los Alamos National Laboratory under section 91 or section 94 of the Atomic Energy Community Act of 1955.

SEC. 3166. SENSE OF CONGRESS REGARDING THE Y–12 PLANT IN OAK RIDGE, TENNESSEE.

It is the sense of Congress that the Y–12 Plant in Oak Ridge, Tennessee, should be used as a national prototype center and that other executive agencies should utilize this center, where appropriate, to maximize their efficiency and cost effectiveness.

SEC. 3167. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated or otherwise made available to the Department of Energy by this title, $5,000,000 shall be available for payment by the Secretary of Energy to a nonprofit or not-for-profit educational foundation chartered to enhance educational activities in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico (in this section referred to as the ''Foundation'').

(b) USE OF FUNDS.—(1) The Foundation shall utilize funds provided under subsection (a) the basis of, or as a contribution to, an endowment fund for the Foundation.

(2) The Foundation shall use the income generated from investments in the endowment fund that are attributable to the payment made under subsection (a) to fund programs to support the educational needs of children in public schools in the vicinity of Los Alamos National Laboratory.

(c) REPORT.—Not later than March 1, 1998, the Secretary shall submit to the congressional defense committees a report setting forth the following:

(1) The amount of, and a schedule for, payments to the Foundation by the Secretary that are in addition to the payment provided under subsection (a).

(2) A plan to ensure that the Secretary makes no other payments to support the educational activities referred to in subsection (b)(2) after September 30, 2002.

SEC. 3168. IMPROVEMENTS TO GREENVILLE ROAD, LIVERMORE, CALIFORNIA.

From amounts authorized to be appropriated or otherwise made available to the Department of Energy by this title, funds shall be available for improvements to Greenville Road, Livermore, California, as follows:

(1) $3,500,000 in fiscal year 1998.

(2) $3,300,000 in fiscal year 1999.

SEC. 3169. REPORT ON ALTERNATIVE SYSTEM FOR AVAILABILITY OF FUNDS.

(a) REPORT.—Not later than October 1, 1998, the Secretary of Energy shall submit to Congress a report assessing how the Department of Energy could carry out a transition from a no-year funding system to a limited-period funding system.

(b) MATTERS COVERED.—The report shall cover the following matters:

(1) A conceptual proposal on how the no-year funding system could be phased out.

(2) An estimate of the cost of making the transition to a limited-period funding system.

(3) A description of the programmatic effects that could occur if the no-year funding system is eliminated.

(4) A delineation of activities for which the no-year funding system should be retained.

(c) DEFINITIONS.—In this section:

(1) The term ''no-year funding system'' means a funding system in which funds are available to the Department of Energy until expended.

(2) The term ''limited-period funding system'' means a funding system in which funds are available to the Department of Energy for a limited period of time.

SEC. 3170. REPORT ON REMEDIATION UNDER THE FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM.

Not later than March 1, 1998, the Secretary of Energy shall submit to Congress a report containing information responding to the following questions regarding the Formerly Utilized Sites Remedial Action Program:

(1) How many Formerly Utilized Sites remain to be remediated, what portions of these remaining sites have completed remediation (including any offsite contamination), what portions of the sites remain to be remediated (including any offsite contamination), what types of contaminants are present at each site, and what are the projected timeframes for completing remediation at each site?

(2) What is the cost of the remaining response actions necessary to address actual or threatened releases of hazardous substances at each Formerly Utilized Site, including any contamination that is present beyond the perimeter of the facilities?

(3) For each site, how much will it cost to remediate the radioactive contamination, and how much will it cost to remediate the non-radioactive contamination?

(4) How many sites potentially involve private parties that could be held responsible for remediation costs, including remediation costs related to offsite contamination?

(5) What type of agreements under the Formerly Utilized Sites Remedial Action Program have been entered into with private parties to resolve the level of liability for remediation costs at these facilities, and to what extent have these agreements been tied to a distinction between radioactive and non-radioactive contamination present at these sites?

(6) What efforts have been undertaken by the Department to ensure that the settlement agreements entered into with private parties to resolve liability for remediation costs at these facilities have been consistent on a program wide basis?

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.
Sec. 3202. Report on external regulation of defense nuclear facilities.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1998, $17,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

SEC. 3202. REPORT ON EXTERNAL REGULATION OF DEFENSE NUCLEAR FACILITIES.

(a) REPORTING REQUIREMENT.—The Defense Nuclear Facilities Safety Board (in this section referred to as the ''Board'') shall prepare a report and make recommendations on its role in the Department of Energy's decision to establish external regulation of defense nuclear facilities. The report shall include the following:

(1) An assessment of the value of and the need for the Board to continue to perform the functions specified under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

(2) An assessment of the relationship between the functions of the Board and a proposal by the Department of Energy to place Department of Energy defense nuclear facilities under the jurisdiction of external regulatory agencies.

(3) An assessment of the functions of the Board and whether there is a need to modify or amend such functions.

(4) An assessment of the relative advantages and disadvantages to the Department and the public of continuing the functions of the Board with respect to Department of Energy defense nuclear facilities and replacing the activities of the Board with external regulation of such facilities.

(5) A list of all existing or planned Department of Energy defense nuclear facilities that are similar to facilities under the regulatory jurisdiction of the Nuclear Regulatory Commission.

(6) A list of all Department of Energy defense nuclear facilities that are in compliance with all applicable Department of Energy orders, regulations, and requirements relating to the design, construction, operation, and decommissioning of defense nuclear facilities.

(7) A list of all Department of Energy defense nuclear facilities that have implemented, pursuant to an implementation plan, recommendations made by the Board and accepted by the Secretary of Energy.

(8) A list of Department of Energy defense nuclear facilities that have a function related to Department weapons activities.

(9)(A) A list of each existing defense nuclear facility that the Board determines—

(i) should continue to stay within the jurisdiction of the Board for a period of time or indefinitely; and

(ii) should come under the jurisdiction of an outside regulatory authority.

(B) An explanation of the determinations made under subparagraph (A).

(10) For any existing facilities that should, in the opinion of the Board, come under the jurisdiction of an outside regulatory authority, the date when this move would occur and the period of time necessary for the transition.

(11) A list of any proposed Department of Energy defense nuclear facilities that should come under the Board's jurisdiction.

(12) An assessment of regulatory and other issues associated with the design, construction, operation, and decommissioning of facilities that are not owned by the Department of Energy but which would provide services to the Department of Energy.

(13) An assessment of the role of the Board, if any, in privatization projects undertaken by the Department.

(14) An assessment of the role of the Board, if any, in any tritium production facilities.

(15) An assessment of the comparative advantages and disadvantages to the Department of Energy in the event some or all Department of Energy defense nuclear facilities were no longer included in the functions of the Board and were regulated by the Nuclear Regulatory Commission.

(16) A comparison of the cost, as identified by the Nuclear Regulatory Commission, that would be incurred at a gaseous diffusion plant to comply with regulations issued by the Nuclear Regulatory Commission, with the cost that would be incurred by a gaseous diffusion plant if such a plant was considered to be a Department of Energy defense nuclear facility as defined by chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C 2286 et seq.).

(b) COMMENTS ON REPORT.—Before submission of the report to Congress under subsection (c), the Board shall transmit the report to the Secretary of Energy and the Nuclear Regulatory Commission. The Secretary and the Commission shall provide their comments on the report to both the Board and to Congress.

(c) SUBMISSION TO CONGRESS.—Not later than six months after the date of the enactment of this Act, the Board shall provide to Congress an interim report on the status of the implementation of this section. Not later than one year after the date of the enactment of this Act, and not earlier than 30 days after receipt of comments from the Secretary of Energy and the Nuclear Regulatory Commission under subsection (b), the Board shall submit to Congress the report required under subsection (a).

(d) DEFINITION.—In this section, the term ''Department of Energy defense nuclear facility'' has the meaning provided by section 318 of the Atomic Energy Act of 1954 (42 U.S.C. 2286g).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Definitions.
Sec. 3302. Authorized uses of stockpile funds.
Sec. 3303. Disposal of beryllium copper master alloy in National Defense Stockpile.
Sec. 3304. Disposal of titanium sponge in National Defense Stockpile.
Sec. 3305. Disposal of cobalt in National Defense Stockpile.
Sec. 3306. Required procedures for disposal of strategic and critical materials.
Sec. 3307. Return of surplus platinum from the Department of the Treasury.

SEC. 3301. DEFINITIONS.

In this title:

(1) The term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term ''National Defense Stockpile Transaction Fund'' means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

(3) The term ''Market Impact Committee'' means the Market Impact Committee established under section 10(c) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–1(c)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 1998, the National Defense Stockpile Manager may obligate up to $73,000,000 of the funds in the National Defense Stockpile Transaction Fund for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)).

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3303. DISPOSAL OF BERYLLIUM COPPER MASTER ALLOY IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZATION.—Pursuant to section 5(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98d(b)), the National Defense Stockpile Manager may dispose of all beryllium copper master alloy from the National Defense Stockpile as part of continued efforts to modernize the Stockpile.

(b) PRECONDITION FOR DISPOSAL.—Before beginning the disposal of beryllium copper master alloy under subsection (a), the National Defense Stockpile Manager shall certify to Congress that the disposal of beryllium copper master alloy will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical material needs of the United States.

(c) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of beryllium copper master alloy under subsection (a), the National Defense Stockpile Manager shall consult with the Market Impact Committee to ensure that the disposal of beryllium copper master alloy does not disrupt the domestic beryllium industry.

(d) EXTENDED SALES CONTRACTS.—The National Defense Stockpile Manager shall provide for the use of long-term sales contracts for the disposal of beryllium copper master alloy under subsection (a) so that the domestic beryllium industry can re-absorb this material into the market in a gradual and nondisruptive manner. However, no such contract shall provide for the disposal of beryllium copper master alloy over a period longer than eight years, beginning on the date of the commencement of the first contract under this section.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

(f) BERYLLIUM COPPER MASTER ALLOY DEFINED.—For purposes of this section, the term ''beryllium copper master alloy'' means an alloy of nominally four percent beryllium in copper.

SEC. 3304. DISPOSAL OF TITANIUM SPONGE IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsection (b), the National Defense Stockpile Manager shall dispose of 34,800 short tons of titanium sponge contained in the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c) and excess to stockpile requirements.

(b) CONSULTATION WITH MARKET IMPACT COMMITTEE.—In disposing of titanium sponge under subsection (a), the National Defense Stockpile Manager shall consult with the Market Impact Committee to ensure that the disposal of titanium sponge does not disrupt the domestic titanium industry.

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

SEC. 3305. DISPOSAL OF COBALT IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Subject to subsections (b) and (c), the President shall dispose of cobalt contained in the National Defense Stockpile so as to result in receipts to the United States in amounts equal to—

(1) $20,000,000 during fiscal year 2003;

(2) $30,000,000 during fiscal year 2004;

(3) $34,000,000 during fiscal year 2005;

(4) $34,000,000 during fiscal year 2006; and

(5) $34,000,000 during fiscal year 2007.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantity of cobalt authorized for disposal by the President under subsection (a) may not exceed 14,058,014 pounds.

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of cobalt under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of cobalt; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as result of the disposal of cobalt under subsection (a) shall be deposited into the general fund of the Treasury.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

SEC. 3306. REQUIRED PROCEDURES FOR DISPOSAL OF STRATEGIC AND CRITICAL MATERIALS.

Section 6(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(b)) is amended in the first sentence by striking out ''materials from the stockpile shall be made by formal advertising or competitive negotiation procedures.'' and inserting in lieu thereof ''strategic and critical materials from the stockpile shall be made in accordance with the next sentence.''.

SEC. 3307. RETURN OF SURPLUS PLATINUM FROM THE DEPARTMENT OF THE TREASURY.

(a) RETURN OF PLATINUM TO STOCKPILE.—Subject to subsection (b), the Secretary of the Treasury, upon the request of the Secretary of Defense, shall return to the Secretary of Defense for sale or other disposition platinum of the National Defense Stockpile that has been loaned to the Department of the Treasury by the Secretary of Defense, acting as the stockpile manager. The quantity requested and required to be returned shall be any quantity that the Secretary of Defense determines appropriate for sale or other disposition.

(b) ALTERNATIVE TRANSFER OF FUNDS.—The Secretary of the Treasury, with the concurrence of the Secretary of Defense, may transfer to the Secretary of Defense funds in a total amount that is equal to the fair market value of any platinum requested under subsection (a) and not returned. A transfer of funds under this subsection shall be a substitute for a return of platinum under subsection (a). Upon a transfer of funds as a substitute for a return of platinum, the platinum shall cease to be part of the National Defense Stockpile. A transfer of funds under this subsection shall be charged to any appropriation for the Department of the Treasury and shall be credited to the National Defense Stockpile Transaction Fund.

(c) RESPONSIBILITY FOR COSTS.—The return of platinum under subsection (a) by the Secretary of the Treasury shall be made without the expenditure of any funds available to the Department of Defense. The Secretary of the Treasury shall be responsible for all costs incurred in connection with the return, such as transportation, storage, testing, refining, or casting costs.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.
Sec. 3402. Price requirement on sale of certain petroleum during fiscal year 1998.
Sec. 3403. Repeal of requirement to assign Navy officers to Office of Naval Petroleum and Oil Shale Reserves.
Sec. 3404. Transfer of jurisdiction, Naval Oil Shale Reserves Numbered 1 and 3.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $117,000,000 for fiscal year 1998 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PETROLEUM DURING FISCAL YEAR 1998.

Notwithstanding section 7430(b)(2) of title 10, United States Code, during fiscal year 1998, any sale of any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 shall be made at a price not less than 90 percent of the current sales price, as estimated by the Secretary of Energy, of comparable petroleum in the same area.

SEC. 3403. REPEAL OF REQUIREMENT TO ASSIGN NAVY OFFICERS TO OFFICE OF NAVAL PETROLEUM AND OIL SHALE RESERVES.

Section 2 of Public Law 96–137 (42 U.S.C. 7156a) is repealed.

SEC. 3404. TRANSFER OF JURISDICTION, NAVAL OIL SHALE RESERVES NUMBERED 1 AND 3.

(a) TRANSFER REQUIRED.—Chapter 641 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 7439. Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development, and production

''(a) TRANSFER REQUIRED.—(1) Upon the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over all public domain lands included within Oil Shale Reserve Numbered 1 and those public domain lands included within the undeveloped tracts of Oil Shale Reserve Numbered 3.

''(2) Not later than one year after the date of the enactment of this section, the Secretary of Energy shall transfer to the Secretary of the Interior administrative jurisdiction over those public domain lands included within the developed tract of Oil Shale Reserve Numbered 3, which consists of approximately 6,000 acres and 24 natural gas wells, together with pipelines and associated facilities.

''(3) Notwithstanding the transfer of jurisdiction, the Secretary of Energy shall continue to be responsible for all environmental restoration, waste management, and environmental compliance activities that are required under Federal and State laws with respect to conditions existing on the lands at the time of the transfer.

''(4) Upon the transfer to the Secretary of the Interior of jurisdiction over public domain lands under this subsection, the other provisions of this chapter shall cease to apply with respect to the transferred lands.

''(b) AUTHORITY TO LEASE.—(1) Beginning on the date of the enactment of this section, or as soon thereafter as practicable, the Secretary of the Interior shall enter into leases with one or more private entities for the purpose of exploration for, and development and production of, petroleum (other than in the form of oil shale) located on or in public domain lands in Oil Shale Reserves Numbered 1 and 3 (including the developed tract of Oil Shale Reserve Numbered 3). Any such lease shall be made in accordance with the requirements of the Mineral Leasing Act (30 U.S.C. 181 et seq.) regarding the lease of oil and gas lands and shall be subject to valid existing rights.

''(2) Notwithstanding the delayed transfer of the developed tract of Oil Shale Reserve Numbered 3 under subsection (a)(2), the Secretary of the Interior shall enter into a lease under paragraph (1) with respect to the developed tract before the end of the one-year period beginning on the date of the enactment of this section.

''(c) MANAGEMENT.—The Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall manage the lands transferred under subsection (a) in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other laws applicable to the public lands.

''(d) TRANSFER OF EXISTING EQUIPMENT.—The lease of lands by the Secretary of the Interior under this section may include the transfer, at fair market value, of any well, gathering line, or related equipment owned by the United States on the lands transferred under subsection (a) and suitable for use in the exploration, development, or production of petroleum on the lands.

''(e) COST MINIMIZATION.—The cost of any environmental assessment required pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) in connection with a proposed lease under this section shall be paid out of unobligated amounts available for administrative expenses of the Bureau of Land Management.

''(f) TREATMENT OF RECEIPTS.—(1) Notwithstanding section 35 of the Mineral Leasing Act (30 U.S.C. 191), all moneys received during the period specified in paragraph (2) from a lease under this section (including moneys in the form of sales, bonuses, royalties (including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.)), and rentals) shall be covered into the Treasury of the United States and shall not be subject to distribution to the States pursuant to subsection (a) of such section 35. Subject to a specific authorization and appropriation for this purpose, such moneys may be used for reimbursement of environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the lands transferred under subsection (a).

''(2) The period referred to in this subsection is the period beginning on the date of the enactment of this section and ending on the date on which the Secretary of Energy and the Secretary of the Interior jointly certify to Congress that the sum of the moneys deposited in the

Treasury under paragraph (1) is equal to the total of the following:

''(A) The cost of all environmental restoration, waste management, and environmental compliance activities incurred by the United States with respect to the lands transferred under subsection (a).

''(B) The cost to the United States to originally install wells, gathering lines, and related equipment on the transferred lands and any other cost incurred by the United States with respect to the lands.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''7439. Certain oil shale reserves: transfer of jurisdiction and petroleum exploration, development, and production.''.

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Expenditures From Revolving Fund

Sec. 3501. Short title.
Sec. 3502. Authorization of expenditures.
Sec. 3503. Purchase of vehicles.
Sec. 3504. Expenditures only in accordance with treaties.

Subtitle B—Facilitation of Panama Canal Transition

Sec. 3511. Short title; references.
Sec. 3512. Definitions relating to canal transition.

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

Sec. 3521. Authority for the Administrator of the Commission to accept appointment as the Administrator of the Panama Canal Authority.
Sec. 3522. Post-Canal transfer personnel authorities.
Sec. 3523. Enhanced authority of Commission to establish compensation of Commission officers and employees.
Sec. 3524. Travel, transportation, and subsistence expenses for Commission personnel no longer subject to Federal travel regulation.
Sec. 3525. Enhanced recruitment and retention authorities.
Sec. 3526. Transition separation incentive payments.
Sec. 3527. Labor-management relations.
Sec. 3528. Availability of Panama Canal Revolving Fund for severance pay for certain employees separated by Panama Canal Authority after Canal Transfer Date.

PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL

Sec. 3541. Establishment of procurement system and Board of Contract Appeals.
Sec. 3542. Transactions with the Panama Canal Authority.
Sec. 3543. Time limitations on filing of claims for damages.
Sec. 3544. Tolls for small vessels.
Sec. 3545. Date of actuarial evaluation of FECA liability.
Sec. 3546. Appointment of notaries public.
Sec. 3547. Commercial services.
Sec. 3548. Transfer from President to Commission of certain regulatory functions relating to employment classification appeals.
Sec. 3549. Enhanced printing authority.
Sec. 3550. Technical and conforming amendments.

Subtitle A—Authorization of Expenditures From Revolving Fund

SEC. 3501. SHORT TITLE.

This subtitle may be cited as the ''Panama Canal Commission Authorization Act for Fiscal Year 1998''.

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Revolving Fund to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1998.

(b) LIMITATIONS.—For fiscal year 1998, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $85,000 for official reception and representation expenses, of which—

(1) not more than $23,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $12,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $50,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provision of law, the funds available to the Commission shall be available for the purchase and transportation to the Republic of Panama of passenger motor vehicles, the purchase price of which shall not exceed $22,000 per vehicle.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this subtitle may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Subtitle B—Facilitation of Panama Canal Transition

SEC. 3511. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the ''Panama Canal Transition Facilitation Act of 1997''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

SEC. 3512. DEFINITIONS RELATING TO CANAL TRANSITION.

Section 3 (22 U.S.C. 3602) is amended by adding at the end the following new subsection:

''(d) For purposes of this Act:

''(1) The term 'Canal Transfer Date' means December 31, 1999, such date being the date specified in the Panama Canal Treaty of 1977 for the transfer of the Panama Canal from the United States of America to the Republic of Panama.

''(2) The term 'Panama Canal Authority' means the entity created by the Republic of Panama to succeed the Panama Canal Commission as of the Canal Transfer Date.''.

PART I—TRANSITION MATTERS RELATING TO COMMISSION OFFICERS AND EMPLOYEES

SEC. 3521. AUTHORITY FOR THE ADMINISTRATOR OF THE COMMISSION TO ACCEPT APPOINTMENT AS THE ADMINISTRATOR OF THE PANAMA CANAL AUTHORITY.

(a) AUTHORITY FOR DUAL ROLE.—Section 1103 (22 U.S.C. 3613) is amended by adding at the end the following new subsection:

''(c) The Congress consents, for purposes of the 8th clause of article I, section 9 of the Constitution of the United States, to the acceptance by the individual serving as Administrator of the Commission of appointment by the Republic of Panama to the position of Administrator of the Panama Canal Authority. Such consent is effective only if that individual, while serving in both such positions, serves as Administrator of the Panama Canal Authority without compensation, except for payments by the Republic of Panama of travel and entertainment expenses, including per diem payments.''.

(b) WAIVER OF ETHICS AND REPORTING REQUIREMENTS.—Such section is further amended by adding at the end the following new subsection:

''(d) If before the Canal Transfer Date the Republic of Panama appoints as the Administrator of the Panama Canal Authority the individual serving as the Administrator of the Commission and if that individual accepts the appointment—

''(1) during any period during which that individual serves as both Administrator of the Commission and the Administrator of the Panama Canal Authority—

''(A) the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.), shall not apply to that individual with respect to service as the Administrator of the Panama Canal Authority;

''(B) that individual, with respect to participation in any particular matter as the Administrator of the Panama Canal Commission, is not subject to section 208(a) of title 18, United States Code, insofar as that section would otherwise apply to that matter only because the matter will have a direct and predictable effect on the financial interest of the Panama Canal Authority;

''(C) that individual is not subject to sections 203 and 205 of title 18, United States Code, with respect to official acts performed as an agent or attorney for or otherwise representing the Panama Canal Authority; and

''(D) that individual is not subject to sections 501(a) and 502(a)(4) of the Ethics in Government Act of 1978 (5 U.S.C. App.), with respect to compensation received for, and service in, the position of Administrator of the Panama Canal Authority; and

''(2) effective upon termination of the individual's appointment as Administrator of the Panama Canal Commission at noon on the Canal Transfer Date, that individual is not subject to section 207 of title 18, United States Code, with respect to acts done in carrying out official duties as Administrator of the Panama Canal Authority.''.

SEC. 3522. POST-CANAL TRANSFER PERSONNEL AUTHORITIES.

(a) WAIVER OF CERTAIN POST-EMPLOYMENT RESTRICTIONS FOR COMMISSION PERSONNEL BECOMING EMPLOYEES OF THE PANAMA CANAL AUTHORITY.—Section 1112 (22 U.S.C. 3622) is amended by adding at the end the following new subsection:

''(e)(1) Section 207 of title 18, United States Code, does not apply to a covered individual with respect to acts done in carrying out official duties as an officer or employee of the Panama Canal Authority.

''(2) For purposes of paragraph (1), a covered individual is an officer or employee of the Panama Canal Authority who was an officer or employee of the Commission (other than the Administrator) and whose employment with the Commission terminated at noon on the Canal Transfer Date.

''(3) This subsection is effective as of the Canal Transfer Date.''.

(b) CONSENT OF CONGRESS FOR ACCEPTANCE BY RESERVE AND RETIRED MEMBERS OF THE UNIFORMED SERVICES OF EMPLOYMENT BY PANAMA CANAL AUTHORITY.—Such section is further amended by adding after subsection (e), as added by subsection (a), the following new subsection:

''(f)(1) The Congress consents to the following persons accepting civil employment (and compensation for that employment) with the Panama Canal Authority for which the consent of the Congress is required by the last paragraph of section 9 of article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government:

''(A) Retired members of the uniformed services.

''(B) Members of a reserve component of the armed forces.

''(C) Members of the Commissioned Reserve Corps of the Public Health Service.

''(2) The consent of the Congress under paragraph (1) is effective without regard to subsection (b) of section 908 of title 37, United States Code (relating to approval required for employment of Reserve and retired members by foreign governments).''.

SEC. 3523. ENHANCED AUTHORITY OF COMMISSION TO ESTABLISH COMPENSATION OF COMMISSION OFFICERS AND EMPLOYEES.

(a) REPEAL OF LIMITATIONS ON COMMISSION AUTHORITY.—The following provisions are repealed:

(1) Section 1215 (22 U.S.C. 3655), relating to basic pay.

(2) Section 1219 (22 U.S.C. 3659), relating to salary protection upon conversion of pay rate.

(3) Section 1225 (22 U.S.C. 3665), relating to minimum level of pay and minimum annual increases.

(b) SAVINGS PROVISION.—Section 1202 (22 U.S.C. 3642) is amended by adding at the end the following new subsection:

''(c) In the case of an individual who is an officer or employee of the Commission on the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997 and who has not had a break in service with the Commission since that date, the rate of basic pay for that officer or employee on or after that date may not be less than the rate in effect for that officer or employee on the day before that date of enactment except—

''(1) as provided in a collective bargaining agreement;

''(2) as a result of an adverse action against the officer or employee; or

''(3) pursuant to a voluntary demotion.''.

(c) CROSS-REFERENCE AMENDMENTS.—(1) Section 1216 (22 U.S.C. 3656) is amended by striking out ''1215'' and inserting in lieu thereof ''1202''.

(2) Section 1218 (22 U.S.C. 3658) is amended by striking out ''1215'' and ''1217'' and inserting in lieu thereof ''1202'' and ''1217(a)'', respectively.

(d) NONAPPLICABILITY TO AGENCIES IN PANAMA OTHER THAN PANAMA CANAL COMMISSION.—Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out ''or the Panama Canal Act Amendments of 1996'' and inserting in lieu thereof '', the Panama Canal Act Amendments of 1996 (subtitle B of title XXXV of Public Law 104–201; 110 Stat. 2860), or the Panama Canal Transition Facilitation Act of 1997''.

SEC. 3524. TRAVEL, TRANSPORTATION, AND SUBSISTENCE EXPENSES FOR COMMISSION PERSONNEL NO LONGER SUBJECT TO FEDERAL TRAVEL REGULATION.

(a) REPEAL OF APPLICABILITY OF TITLE 5 PROVISIONS.—(1) Section 1210 (22 U.S.C. 3650) is amended by striking out subsections (a), (b), and (c).

(2) Section 1224 (22 U.S.C. 3664) is amended—

(A) by striking out paragraph (10); and

(B) by redesignating paragraphs (11) through (20) as paragraphs (10) through (19), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 1210 is further amended—

(A) by redesignating subsection (d)(1) as subsection (a) and in that subsection striking out ''paragraph (2)'' and inserting in lieu thereof ''subsection (b)''; and

(B) by redesignating subsection (d)(2) as subsection (b) and in that subsection—

(i) striking out ''Notwithstanding paragraph (1), an'' and inserting in lieu thereof ''An''; and

(ii) striking out ''referred to in paragraph (1)'' and inserting in lieu thereof ''who is a citizen of the Republic of Panama''.

(2) The heading of such section is amended to read as follows:

''AIR TRANSPORTATION''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 3525. ENHANCED RECRUITMENT AND RETENTION AUTHORITIES.

(a) RECRUITMENT, RELOCATION, AND RETENTION BONUSES.—Section 1217 (22 U.S.C. 3657) is amended—

(1) by redesignating subsection (c) as subsection (e);

(2) in subsection (e) (as so redesignated), by striking out ''for the same or similar work performed in the United States by individuals employed by the Government of the United States'' and inserting in lieu thereof ''of the individual to whom the compensation is paid''; and

(3) by inserting after subsection (b) the following new subsections:

''(c)(1) The Commission may pay a recruitment bonus to an individual who is newly appointed to a position with the Commission, or a relocation bonus to an employee of the Commission who must relocate to accept a position, if the Commission determines that the Commission would be likely, in the absence of such a bonus, to have difficulty in filling the position.

''(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment established in the agreement. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus.

''(3) A recruitment or relocation bonus under this subsection may be paid as a lump sum. A bonus under this subsection may not be considered to be part of the basic pay of an employee.

''(d)(1) The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—

''(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

''(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

''(2) A retention bonus under this subsection—

''(A) shall be in a fixed amount;

''(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments to be made at the same time and in the same manner as basic pay; and

''(C) may not be considered to be part of the basic pay of an employee.

''(3) A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.''.

(b) EDUCATIONAL SERVICES.—Section 1321(e)(2) (22 U.S.C. 3731(e)(2)) is amended by striking out ''and persons'' and inserting in lieu thereof '', to other Commission employees when determined by the Commission to be necessary for their recruitment or retention, and to other persons''.

SEC. 3526. TRANSITION SEPARATION INCENTIVE PAYMENTS.

Chapter 2 of title I (22 U.S.C. 3641 et seq.) is amended by adding at the end of subchapter III the following new section:

''TRANSITION SEPARATION INCENTIVE PAYMENTS

''SEC. 1233. (a) In applying to the Commission and employees of the Commission the provisions of section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208; 110 Stat. 3009–383), relating to voluntary separation incentives for employees of certain Federal agencies (in this section referred to as 'section 663')—

''(1) the term 'employee' shall mean an employee of the Commission who has served in the Republic of Panama in a position with the Commission for a continuous period of at least three years immediately before the employee's separation under an appointment without time limitation and who is covered under the Civil Service Retirement System or the Federal Employees' Retirement System under subchapter III of chapter 83 or chapter 84, respectively, of title 5, United States Code, other than—

''(A) an employee described in any of subparagraphs (A) through (F) of subsection (a)(2) of section 663; or

''(B) an employee of the Commission who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 1217(c) of this Act or who, within the 12-month period preceding the date of separation, received a retention bonus under section 1217(d) of this Act;

''(2) the strategic plan under subsection (b) of section 663 shall include (in lieu of the matter specified in subsection (b)(2) of that section)—

''(A) the positions to be affected, identified by occupational category and grade level;

''(B) the number and amounts of separation incentive payments to be offered; and

''(C) a description of how such incentive payments will facilitate the successful transfer of the Panama Canal to the Republic of Panama;

''(3) a separation incentive payment under section 663 may be paid to a Commission employee only to the extent necessary to facilitate the successful transfer of the Panama Canal by the United States of America to the Republic of Panama as required by the Panama Canal Treaty of 1977;

''(4) such a payment—

''(A) may be in an amount determined by the Commission not to exceed $25,000; and

''(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of an eligible employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section or during the period beginning on October 1, 1998, and ending on December 31, 1998;

''(5) in the case of not more than 15 employees who (as determined by the Commission) are unwilling to work for the Panama Canal Authority after the Canal Transfer Date and who occupy critical positions for which (as determined by the Commission) at least two years of experience is necessary to ensure that seasoned managers are in place on and after the Canal Transfer Date, such a payment (notwithstanding paragraph (4))—

''(A) may be in an amount determined by the Commission not to exceed 50 percent of the basic pay of the employee; and

''(B) may be made (notwithstanding the limitation specified in subsection (c)(2)(D) of section 663) in the case of such an employee who voluntarily separates (whether by retirement or resignation) during the 90-day period beginning on the date of the enactment of this section; and

''(6) the provisions of subsection (f) of section 663 shall not apply.

''(b) A decision by the Commission to exercise or to not exercise the authority to pay a transition separation incentive under this section shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5, United States Code.''.

SEC. 3527. LABOR-MANAGEMENT RELATIONS.

Section 1271 (22 U.S.C. 3701) is amended by adding at the end the following new subsection:

''(c)(1) This subsection applies to any matter that becomes the subject of collective bargaining

between the Commission and the exclusive representative for any bargaining unit of employees of the Commission during the period beginning on the date of the enactment of this subsection and ending on the Canal Transfer Date.

''(2)(A) The resolution of impasses resulting from collective bargaining between the Commission and any such exclusive representative during that period shall be conducted in accordance with such procedures as may be mutually agreed upon between the Commission and the exclusive representative (without regard to any otherwise applicable provisions of chapter 71 of title 5, United States Code). Such mutually agreed upon procedures shall become effective upon transmittal by the Chairman of the Supervisory Board of the Commission to the Congress of notice of the agreement to use those procedures and a description of those procedures.

''(B) The Federal Services Impasses Panel shall not have jurisdiction to resolve any impasse between the Commission and any such exclusive representative in negotiations over a procedure for resolving impasses.

''(3) If the Commission and such an exclusive representative do not reach an agreement concerning a procedure for resolving impasses with respect to a bargaining unit and transmit notice of the agreement under paragraph (2) on or before July 1, 1998, the following shall be the procedure by which collective bargaining impasses between the Commission and the exclusive representative for that bargaining unit shall be resolved:

''(A) If bargaining efforts do not result in an agreement, either party may timely request the Federal Mediation and Conciliation Service to assist in achieving an agreement.

''(B) If an agreement is not reached within 45 days after the date on which either party requests the assistance of the Federal Mediation and Conciliation Service in writing (or within such shorter period as may be mutually agreed upon by the parties), the parties shall be considered to be at an impasse and the Federal Mediation and Conciliation Service shall immediately notify the Federal Services Impasses Panel of the Federal Labor Relations Authority, which shall decide the impasse.

''(C) If the Federal Services Impasses Panel fails to issue a decision within 90 days after the date on which notice under subparagraph (B) is received by the Panel (or within such shorter period as may be mutually agreed upon by the parties), the efforts of the Panel shall be terminated.

''(D) In such a case, the Chairman of the Panel (or another member in the absence of the Chairman) shall immediately determine the matter by a drawing (conducted in such manner as the Chairman (or, in the absence of the Chairman, such other member) determines appropriate) between the last offer of the Commission and the last offer of the exclusive representative, with the offer chosen through such drawing becoming the binding resolution of the matter.

''(4) In the case of a notice of agreement described in paragraph (2)(A) that is transmitted to the Congress as described in the second sentence of that paragraph after July 1, 1998, the impasse resolution procedures covered by that notice shall apply to any impasse between the Commission and the other party to the agreement that is unresolved on the date on which that notice is transmitted to the Congress.''.

SEC. 3528. AVAILABILITY OF PANAMA CANAL REVOLVING FUND FOR SEVERANCE PAY FOR CERTAIN EMPLOYEES SEPARATED BY PANAMA CANAL AUTHORITY AFTER CANAL TRANSFER DATE.

(a) AVAILABILITY OF REVOLVING FUND.—Section 1302(a) (22 U.S.C. 3712(a)) is amended by adding at the end the following new paragraph:

''(10) Payment to the Panama Canal Authority, not later than the Canal Transfer Date, of such amount as is computed by the Commission to be the future amount of severance pay to be paid by the Panama Canal Authority to employees whose employment with the Authority is terminated, to the extent that such severance pay is attributable to periods of service performed with the Commission before the Canal Transfer Date (and assuming for purposes of such computation that the Panama Canal Authority, in paying severance pay to terminated employees, will provide for crediting of periods of service with the Commission).''.

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking out ''for—'' in the matter preceding paragraph (1) and inserting in lieu thereof ''for the following purposes:'';

(2) by capitalizing the initial letter of the first word in each of paragraphs (1) through (9);

(3) by striking out the semicolon at the end of each of paragraphs (1) through (7) and inserting in lieu thereof a period; and

(4) by striking out ''; and'' at the end of paragraph (8) and inserting in lieu thereof a period.

PART II—TRANSITION MATTERS RELATING TO OPERATION AND ADMINISTRATION OF CANAL

SEC. 3541. ESTABLISHMENT OF PROCUREMENT SYSTEM AND BOARD OF CONTRACT APPEALS.

Title III of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) is amended by inserting after the title heading the following new chapter:

''CHAPTER 1—PROCUREMENT

''PROCUREMENT SYSTEM

''SEC. 3101. (a) PANAMA CANAL ACQUISITION REGULATION.—(1) The Commission shall establish by regulation a comprehensive procurement system. The regulation shall be known as the 'Panama Canal Acquisition Regulation' (in this section referred to as the 'Regulation') and shall provide for the procurement of goods and services by the Commission in a manner that—

''(A) applies the fundamental operating principles and procedures in the Federal Acquisition Regulation;

''(B) uses efficient commercial standards of practice; and

''(C) is suitable for adoption and uninterrupted use by the Republic of Panama after the Canal Transfer Date.

''(2) The Regulation shall contain provisions regarding the establishment of the Panama Canal Board of Contract Appeals described in section 3102.

''(b) SUPPLEMENT TO REGULATION.—The Commission shall develop a Supplement to the Regulation (in this section referred to as the 'Supplement') that identifies both the provisions of Federal law applicable to procurement of goods and services by the Commission and the provisions of Federal law waived by the Commission under subsection (c).

''(c) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the Commission shall determine which provisions of Federal law should not apply to procurement by the Commission and may waive those laws for purposes of the Regulation and Supplement.

''(2) For purposes of paragraph (1), the Commission may not waive—

''(A) section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423);

''(B) the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.), other than section 10(a) of such Act (41 U.S.C 609(a)); or

''(C) civil rights, environmental, or labor laws.

''(d) CONSULTATION WITH ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY.—In establishing the Regulation and developing the Supplement, the Commission shall consult with the Administrator for Federal Procurement Policy.

''(e) EFFECTIVE DATE.—The Regulation and the Supplement shall take effect on the date of publication in the Federal Register, or January 1, 1999, whichever is earlier.

''PANAMA CANAL BOARD OF CONTRACT APPEALS

''SEC. 3102. (a) ESTABLISHMENT.—(1) The Secretary of Defense, in consultation with the Commission, shall establish a board of contract appeals, to be known as the Panama Canal Board of Contract Appeals, in accordance with section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607). Except as otherwise provided by this section, the Panama Canal Board of Contract Appeals (in this section referred to as the 'Board') shall be subject to the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.) in the same manner as any other agency board of contract appeals established under that Act.

''(2) The Board shall consist of three members. At least one member of the Board shall be licensed to practice law in the Republic of Panama. Individuals appointed to the Board shall take an oath of office, the form of which shall be prescribed by the Secretary of Defense.

''(b) EXCLUSIVE JURISDICTION TO DECIDE APPEALS.—Notwithstanding section 10(a)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 609(a)(1)) or any other provision of law, the Board shall have exclusive jurisdiction to decide an appeal from a decision of a contracting officer under section 8(d) of such Act (41 U.S.C. 607(d)).

''(c) EXCLUSIVE JURISDICTION TO DECIDE PROTESTS.—The Board shall decide protests submitted to it under this subsection by interested parties in accordance with subchapter V of title 31, United States Code. Notwithstanding section 3556 of that title, section 1491(b) of title 28, United States Code, and any other provision of law, the Board shall have exclusive jurisdiction to decide such protests. For purposes of this subsection—

''(1) except as provided in paragraph (2), each reference to the Comptroller General in sections 3551 through 3555 of title 31, United States Code, is deemed to be a reference to the Board;

''(2) the reference to the Comptroller General in section 3553(d)(3)(C)(ii) of such title is deemed to be a reference to both the Board and the Comptroller General;

''(3) the report required by paragraph (1) of section 3554(e) of such title shall be submitted to the Comptroller General as well as the committees listed in such paragraph;

''(4) the report required by paragraph (2) of such section shall be submitted to the Comptroller General as well as Congress; and

''(5) section 3556 of such title shall not apply to the Board, but nothing in this subsection shall affect the right of an interested party to file a protest with the appropriate contracting officer.

''(d) PROCEDURES.—The Board shall prescribe such procedures as may be necessary for the expeditious decision of appeals and protests under subsections (b) and (c).

''(e) COMMENCEMENT.—The Board shall begin to function as soon as it has been established and has prescribed procedures under subsection (d), but not later than January 1, 1999.

''(f) TRANSITION.—The Board shall have jurisdiction under subsection (b) and (c) over any appeals and protests filed on or after the date on which the Board begins to function. Any appeals and protests filed before such date shall remain before the forum in which they were filed.

''(g) OTHER FUNCTIONS.—The Board may perform functions similar to those described in this section for such other matters or activities of the Commission as the Commission may determine and in accordance with regulations prescribed by the Commission.''.

SEC. 3542. TRANSACTIONS WITH THE PANAMA CANAL AUTHORITY.

Section 1342 (22 U.S.C. 3752) is amended—

(1) by designating the text of the section as subsection (a); and

(2) by adding at the end the following new subsections:

''(b) The Commission may provide office space, equipment, supplies, personnel, and other in-kind services to the Panama Canal Authority on a nonreimbursable basis.

''(c) Any executive department or agency of the United States may, on a reimbursable basis,

provide to the Panama Canal Authority materials, supplies, equipment, work, or services requested by the Panama Canal Authority, at such rates as may be agreed upon by that department or agency and the Panama Canal Authority.''.

SEC. 3543. TIME LIMITATIONS ON FILING OF CLAIMS FOR DAMAGES.

(a) FILING OF ADMINISTRATIVE CLAIMS WITH COMMISSION.—Sections 1411(a) (22 U.S.C. 3771(a)) and 1412 (22 U.S.C. 3772) are each amended in the last sentence by striking out ''within 2 years after'' and all that follows through ''of 1985,'' and inserting in lieu thereof ''within one year after the date of the injury or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,''.

(b) FILING OF JUDICIAL ACTIONS.—The penultimate sentence of section 1416 (22 U.S.C. 3776) is amended—

(1) by striking out ''one year'' the first place it appears and inserting in lieu thereof ''180 days''; and

(2) by striking out ''claim, or'' and all that follows through ''of 1985,'' and inserting in lieu thereof ''claim or the date of the enactment of the Panama Canal Transition Facilitation Act of 1997,''.

SEC. 3544. TOLLS FOR SMALL VESSELS.

Section 1602(a) (22 U.S.C. 3792(a)) is amended—

(1) in the first sentence, by striking out ''supply ships, and yachts'' and inserting in lieu thereof ''and supply ships''; and

(2) by adding at the end the following new sentence: ''Tolls for small vessels (including yachts), as defined by the Commission, may be set at rates determined by the Commission without regard to the preceding provisions of this subsection.''.

SEC. 3545. DATE OF ACTUARIAL EVALUATION OF FECA LIABILITY.

Section 5(a) of the Panama Canal Commission Compensation Fund Act of 1988 (22 U.S.C. 3715c(a)) is amended by striking out ''Upon the termination of the Panama Canal Commission'' and inserting in lieu thereof ''By March 31, 1998''.

SEC. 3546. APPOINTMENT OF NOTARIES PUBLIC.

Section 1102a (22 U.S.C. 3612a) is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

''(g)(1) The Commission may appoint any United States citizen to have the general powers of a notary public to perform, on behalf of Commission employees and their dependents outside the United States, any notarial act that a notary public is required or authorized to perform within the United States. Unless an earlier expiration is provided by the terms of the appointment, any such appointment shall expire three months after the Canal Transfer Date.

''(2) Every notarial act performed by a person acting as a notary under paragraph (1) shall be as valid, and of like force and effect within the United States, as if executed by or before a duly authorized and competent notary public in the United States.

''(3) The signature of any person acting as a notary under paragraph (1), when it appears with the title of that person's office, is prima facie evidence that the signature is genuine, that the person holds the designated title, and that the person is authorized to perform a notarial act.''.

SEC. 3547. COMMERCIAL SERVICES.

Section 1102b (22 U.S.C. 3612b) is amended by adding at the end the following new subsection:

''(e) The Commission may conduct and promote commercial activities related to the management, operation, or maintenance of the Panama Canal. Any such commercial activity shall be carried out consistent with the Panama Canal Treaty of 1977 and related agreements.''.

SEC. 3548. TRANSFER FROM PRESIDENT TO COMMISSION OF CERTAIN REGULATORY FUNCTIONS RELATING TO EMPLOYMENT CLASSIFICATION APPEALS.

Sections 1221(a) and 1222(a) (22 U.S.C. 3661(a), 3662(a)) are amended by striking out ''President'' and inserting in lieu thereof ''Commission''.

SEC. 3549. ENHANCED PRINTING AUTHORITY.

Section 1306(a) (22 U.S.C. 3714b(a)) is amended by striking out ''Section 501'' and inserting in lieu thereof ''Sections 501 through 517 and 1101 through 1123''.

SEC. 3550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CLERICAL AMENDMENTS.—The table of contents in section 1 is amended—

(1) by striking out the item relating to section 1210 and inserting in lieu thereof the following:

''Sec. 1210. Air transportation.'';

(2) by striking out the items relating to sections 1215, 1219, and 1225;

(3) by inserting after the item relating to section 1232 the following new item:

''Sec. 1233. Transition separation incentive payments.'';

and

(4) by inserting after the item relating to the heading of title III the following:

''CHAPTER 1—PROCUREMENT

''Sec. 3101. Procurement system.

''Sec. 3102. Panama Canal Board of Contract Appeals.''.

(b) AMENDMENT TO REFLECT PRIOR CHANGE IN COMPENSATION OF ADMINISTRATOR.—Section 5315 of title 5, United States Code, is amended by striking out the following:

''Administrator of the Panama Canal Commission.''.

(c) AMENDMENTS TO REFLECT CHANGE IN TRAVEL AND TRANSPORTATION EXPENSES AUTHORITY.—(1) Section 5724(a)(3) of title 5, United States Code, is amended by striking out '', the Commonwealth of Puerto Rico,'' and all that follows through ''Panama Canal Act of 1979'' and inserting in lieu thereof ''or the Commonwealth of Puerto Rico''.

(2) Section 5724a(j) of such title is amended—

(A) by inserting ''and'' after ''Northern Mariana Islands,''; and

(B) by striking out ''United States, and'' and all that follows through the period at the end and inserting in lieu thereof ''United States.''.

(3) The amendments made by this subsection shall take effect on January 1, 1999.

(d) MISCELLANEOUS TECHNICAL AMENDMENTS.—

(1) Section 3(b) (22 U.S.C. 3602(b)) is amended by striking out ''the Canal Zone Code'' and all that follows through ''other laws'' the second place it appears and inserting in lieu thereof ''laws of the United States and regulations issued pursuant to such laws''.

(2)(A) The following provisions are each amended by striking out ''the effective date of this Act'' and inserting in lieu thereof ''October 1, 1979'': sections 3(b), 3(c), 1112(b), and 1321(c)(1).

(B) Section 1321(c)(2) is amended by striking out ''such effective date'' and inserting in lieu thereof ''October 1, 1979''.

(C) Section 1231(c)(3)(A) (22 U.S.C. 3671(c)(3)(A)) is amended by striking out ''the day before the effective date of this Act'' and inserting in lieu thereof ''September 30, 1979''.

(3) Section 1102a(h), as redesignated by section 3546(1), is amended by striking out ''section 1102B'' and inserting in lieu thereof ''section 1102b''.

(4) Section 1110(b)(2) (22 U.S.C. 3620(b)(2)) is amended by striking out ''section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a),'' and inserting in lieu thereof ''section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)''.

(5) Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out ''as last in effect before the effective date of section 3530 of the Panama Canal Act Amendments of 1996'' and inserting in lieu thereof ''as in effect on September 22, 1996''.

(6) Section 1243(c)(2) (22 U.S.C. 3681(c)(2)) is amended by striking out ''retroactivity'' and inserting in lieu thereof ''retroactively''.

(7) Section 1341(f) (22 U.S.C. 3751(f)) is amended by striking out ''sections 1302(c)'' and inserting in lieu thereof ''sections 1302(b)''.

TITLE XXXVI—MARITIME ADMINISTRATION

Sec. 3601. Authorization of appropriations for fiscal year 1998.

Sec. 3602. Repeal of obsolete annual report requirement concerning relative cost of shipbuilding in the various coastal districts of the United States.

Sec. 3603. Provisions relating to maritime security fleet program.

Sec. 3604. Authority to utilize replacement vessels and capacity.

Sec. 3605. Authority to convey National Defense Reserve Fleet vessel.

Sec. 3606. Determination of gross tonnage for purposes of tank vessel double hull requirements.

SEC. 3601. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.

Funds are hereby authorized to be appropriated for fiscal year 1998, to be available without fiscal year limitation if so provided in appropriations Act, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $70,000,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), $39,000,000 of which—

(A) $35,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $4,000,000 is for administrative expenses related to loan guarantee commitments under the program.

SEC. 3602. REPEAL OF OBSOLETE ANNUAL REPORT REQUIREMENT CONCERNING RELATIVE COST OF SHIPBUILDING IN THE VARIOUS COASTAL DISTRICTS OF THE UNITED STATES.

(a) REPEAL.—Section 213 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1123), is amended by striking out paragraph (c).

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking out ''on—'' in the matter preceding paragraph (a) and inserting in lieu thereof ''on the following:'';

(2) by redesignating paragraphs (a) and (b) as paragraphs (1) and (2), respectively;

(3) by striking out the semicolon at the end of each of those paragraphs and inserting in lieu thereof a period; and

(4) by realigning those paragraphs so as to be indented 2 ems from the left margin.

SEC. 3603. PROVISIONS RELATING TO MARITIME SECURITY FLEET PROGRAM.

(a) AUTHORITY OF CONTRACTORS TO OPERATE SELF-PROPELLED TANK VESSELS IN NONCONTIGUOUS DOMESTIC TRADES.—Section 656(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187e(b)) is amended by inserting ''(1)'' after ''(b)'', and by adding at the end the following new paragraph:

''(2) Subsection (a) shall not apply to operation by a contractor of a self-propelled tank vessel in a noncontiguous domestic trade, or to ownership by a contractor of an interest in a self-propelled tank vessel that operates in a noncontiguous domestic trade.''.

(b) RELIEF FROM DELAY IN CERTAIN OPERATIONS FOLLOWING DOCUMENTATION.—Section 652(c) of the Merchant Marine Act, 1936 (46

U.S.C. 1187a(c)) is amended by adding at the end the following: ''The restrictions of section 901(b)(1) of this Act concerning the building, rebuilding, or documentation of a vessel in a foreign country shall not apply to a vessel for any day the operator of that vessel is receiving payments under an operating agreement under this subtitle.''.

SEC. 3604. AUTHORITY TO UTILIZE REPLACEMENT VESSELS AND CAPACITY.

Section 653(d)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187b(d)(1)) is amended to read as follows:

''(1) a contractor or other person that commits to make available a vessel or vessel capacity under the Emergency Preparedness Program or another primary sealift readiness program approved by the Secretary of Defense may, during the activation of that vessel or capacity under that program, operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for the activated vessel or capacity; and''.

SEC. 3605. AUTHORITY TO CONVEY NATIONAL DEFENSE RESERVE FLEET VESSEL.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the United States Government in and to the vessel GOLDEN BEAR (United States official number 239932) to the Artship Foundation, located in Oakland, California (in this section referred to as the ''recipient''), for use as a multi-cultural center for the arts.

(b) TERMS OF CONVEYANCE.—

(1) DELIVERY OF VESSEL.—In carrying out subsection (a), the Secretary shall deliver the vessel—

(A) at the place where the vessel is located on the date of conveyance;

(B) in its condition on that date; and

(C) at no cost to the United States Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) the recipient agrees to hold the Government harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date; and

(B) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may convey to the recipient of the vessel conveyed under this section any unneeded equipment from other vessels in the National Defense Reserve Fleet, for use to restore the vessel conveyed under this section to museum quality.

SEC. 3606. DETERMINATION OF GROSS TONNAGE FOR PURPOSES OF TANK VESSEL DOUBLE HULL REQUIREMENTS.

Section 3703a of title 46, United States Code, is amended by adding at the end the following:

''(e)(1) For the purposes of this section and except as otherwise provided in paragraphs (2) and (3) of this subsection, the gross tonnage of a vessel shall be the gross tonnage that would have been recognized by the Secretary on July 1, 1997, as the tonnage measured under section 14502 of this title, or as an alternate tonnage measured under section 14302 of this title as prescribed by the Secretary under section 14104 of this title.

''(2)(A) The Secretary may waive the application of paragraph (1) to a tank vessel if—

''(i) the owner of the tank vessel applies to the Secretary for the waiver before January 1, 1998;

''(ii) the Secretary determines that—

''(I) the owner of the tank vessel has entered into a binding agreement to alter the tank vessel in a shipyard in the United States to reduce the gross tonnage of the tank vessel by converting a portion of the cargo tanks of the tank vessel into protectively located segregated ballast tanks; and

''(II) that conversion will result in a significant reduction in the risk of a discharge of oil;

''(iii) at least 60 days before the date of the issuance of the waiver, the Secretary—

''(I) publishes notice that the Secretary has received the application and made the determinations required by clause (ii), including a description of the agreement entered into pursuant to clause (ii)(I); and

''(II) provides an opportunity for submission of comments regarding the application; and

''(iv) the alterations referred to in clause (ii)(I) are completed before the later of—

''(I) the date by which the first special survey of the tank vessel is required to be completed after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998; or

''(II) July 1, 1999.

''(B) A waiver under subparagraph (A) shall not be effective after the expiration of the 3-year period beginning on the first date on which the tank vessel would have been prohibited by subsection (c) from operating if the alterations referred to in subparagraph (A)(ii)(I) were not made.

''(3) This subsection does not apply to a tank vessel that, before July 1, 1997, had undergone, or was the subject of a contract for, alterations that reduce the gross tonnage of the tank vessel, as shown by reliable evidence acceptable to the Secretary.''.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

FLOYD SPENCE,
BOB STUMP,
DUNCAN HUNTER,
JOHN R. KASICH,
HERBERT H. BATEMAN,
JAMES V. HANSEN,
CURT WELDON,
JOEL HEFLEY,
JIM SAXTON,
STEVE BUYER,
TILLIE K. FOWLER,
JOHN M. MCHUGH,
JAMES M. TALENT,
TERRY EVERETT,
(except for sections 355, 356, and 358–367),
ROSCOE G. BARTLETT,
HOWARD ''BUCK'' MCKEON,
RON LEWIS,
J.C. WATTS, Jr.,
SAXBY CHAMBLISS,
BOB RILEY,
IKE SKELTON,
NORMAN SISISKY,
JOHN M. SPRATT, Jr.,
(except for the increase over the President's request for research and development of a space-based laser and the statement of managers on this program),
SOLOMON P. ORTIZ,
OWEN PICKETT,
GENE TAYLOR,
NEIL ABERCROMBIE,
MARTIN T. MEEHAN,
JANE HARMAN,
PAUL MCHALE,
PATRICK J. KENNEDY,
ROD BLAGOJEVICH,
VIC SNYDER,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

PORTER J. GOSS,
JERRY LEWIS,
NORM DICKS,

As additional conferees from the Committee on Commerce for consideration of sections 344, 601, 654, 735, 1021, 3143, 3144, 3201, 3202, 3402, and 3404 of the House bill, and sections 338, 601, 663, 706, 1064, 2823, 3136, 3140, 3151, 3160, 3201, and 3402 of the Senate amendment, and modifications committed to conference:

TOM BLILEY,
DAN SCHAEFER,

Provided that Mr. Oxley is appointed in lieu of Mr. Dan Schaefer of Colorado for consideration of sections 344 and 1021 of the House bill and section 2823 of the Senate amendment:

MICHAEL G. OXLEY,

Provided that Mr. Bilirakis is appointed in lieu of Mr. Dan Schaefer of Colorado for consideration of sections 601, 654, and 735 of the House bill, and sections 338, 601, 663, and 706 of the Senate amendment:

MIKE BILIRAKIS,

Provided that Mr. Tauzin is appointed in lieu of Mr. Dan Schaefer of Colorado for consideration of section 1064 of the Senate amendment.

BILLY TAUZIN,

As additional conferees from the Committee on Education and the Workforce, for consideration of sections 374, 658, and 3143 of the House bill, and sections 664 of the Senate amendment, and modifications committed to conference:

BILL GOODLING,
HARRIS W. FAWELL,
LORETTA SANCHEZ,

Provided that Mr. Riggs is appointed in lieu of Mr. Fawell for consideration of section 658 of the House bill and section 664 of the Senate amendment:

FRANK RIGGS,

As additional conferees from the Committee on Government Reform and Oversight, for consideration of section 322 and 3527 of the House bill, and sections 1068, 1107, 2811, and 3527 of the Senate amendment, and modifications committed to conference:

DAN BURTON,
STEPHEN HORN,

As additional conferees from the Committee on House Oversight, for consideration of section 543 of the Senate amendment, and modifications committed to conference:

WILLIAM M. THOMAS,
BOB NEY,

As additional conferees from the Committee on the Judiciary, for consideration of sections 374, 1057, 3521, 3522, and 3541 of the House bill, and sections 831, 1073, 1075, 1106, and 1201–1216 of the Senate amendment, and modifications committed to conference:

HENRY J. HYDE,
LAMAR SMITH,

As additional conferees from the Committee on Resources, for consideration of sections 214, 601, 653, 1021, 2835, 2901–2914 and 3404 of the House bill, and sections 234, 381–392, 601, 706, 2819, and 3158 of the Senate amendment, and modifications committed to conference:

DON YOUNG,
BILLY TAUZIN,

Provided that Mr. Delahunt is appointed in lieu of Mr. Miller of California for consideration of sections 2901–2914 of the House bill and sections 381–392 of the Senate amendment.

WILLIAM DELAHUNT,

As additional conferees from the Committee on Science, for consideration of sections 214 and 3148 of the House bill, and sections 234 and 1064 of the Senate amendment, and modifications committed to conference:

F. JAMES SENSENBRENNER, Jr.,
KEN CALVERT,
GEORGE E. BROWN, Jr.,

Provided that Mr. Rohrabacher is appointed in lieu of Mr. Calvert for consideration of section 1064 of the Senate amendment:

DANA ROHRABACHER,

As additional conferees from the Committee on Transportation and Infrastructure for consideration of sections 345, 563, 601, 1021, 2861, and 3606 of the House bill, and section 601 of the Senate amendment, and modifications committed to conference:

BUD SHUSTER,
WAYNE T. GILCHREST,
ROBERT A. BORSKI,

As additional conferees from the Committee on Veterans' Affairs for consideration of sections 751, 752, and 759 of the House bill, and sections 220, 542, 751, 752, 758, 1069, 1074, and 1076 of the Senate amendment, and modifications committed to conference:

CHRISTOPHER H. SMITH,
MIKE BILIRAKIS,
JOSEPH P. KENNEDY,

Managers on the Part of the House.

STROM THURMOND,
JOHN WARNER,
JOHN MCCAIN,
DAN COATS,
BOB SMITH,
DIRK KEMPTHORNE,
JIM INHOFE,
RICK SANTORUM,
OLYMPIA SNOWE,
PAT ROBERTS,
CARL LEVIN,
TED KENNEDY,
JEFF BINGAMAN,
JOHN GLENN,
ROBERT C. BYRD,
CHUCK ROBB,
JOE LIEBERMAN,
MAX CLELAND,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for defense activities of the Department of Defense, for military construction, and for defense programs of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTION

The conferees recommend authorizations for the Department of Defense for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military construction and family housing, weapons programs of the Department of Energy, and the civil defense that have budget authority implications of $268.2 billion.

SUMMARY TABLE OF AUTHORIZATIONS

The defense authorization act provides authorizations for appropriations but does not generally provide budget authority. Budget authority is provided in appropriations acts.

In order to relate the conference recommendations to the Budget Resolution, matter in addition to the dollar authorizations contained in this bill must be taken into account. A number of programs in the defense function are authorized permanently or, in certain instances, authorized in other annual legislation. In addition, this authorization bill would establish personnel levels and include a number of legislative provisions affecting military compensation.

The following table summarizes authorizations included in the bill for fiscal year 1998 and, in addition, summarizes the implications of the conference action for the budget totals for national defense (budget function 050).

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	FY 1998 BA Request	BA Implications House	BA Implications Senate	BA Implications Conference
DIVISION A									
TITLE I									
PROCUREMENT									
Aircraft Procurement, Army	1,162,459	1,535,264	1,394,459	153,774	1,316,233	1,162,459	1,535,264	1,394,459	1,316,233
Missile Procurement, Army	1,178,151	1,176,516	1,223,851	(435,512)	742,639	1,178,151	1,176,516	1,223,851	742,639
Procurement of Weapons and Tracked Combat Vehicles, Army	1,065,707	1,519,527	1,179,107	231,934	1,297,641	1,065,707	1,519,527	1,179,107	1,297,641
Procurement of Ammunition, Army	890,902	1,093,802	1,043,202	120,291	1,011,193	890,902	1,093,802	1,043,202	1,011,193
Other Procurement, Army	2,455,030	2,640,277	2,875,730	111,178	2,566,208	2,455,030	2,640,277	2,875,730	2,566,208
Aircraft Procurement, Navy	6,085,965	6,172,950	6,482,265	351,365	6,437,330	6,085,965	6,172,950	6,482,265	6,437,330
Weapons Procurement, Navy	1,136,293	1,214,687	1,200,393	(46,850)	1,089,443	1,136,293	1,214,687	1,200,393	1,089,443
Procurement of Ammunition, Navy and Marine Corps	336,797	470,355	369,797	27,947	364,744	336,797	470,355	369,797	364,744
Shipbuilding and Conversion, Navy	7,438,158	7,654,977	8,593,358	757,111	8,195,269	7,438,158	7,654,977	8,593,358	8,195,269
Other Procurement, Navy	2,825,500	3,073,432	3,137,700	145,367	2,970,867	2,825,500	3,073,432	3,137,700	2,970,867
Procurement, Marine Corps	374,306	442,807	554,806	85,775	460,081	374,306	442,807	554,806	460,081
Aircraft Procurement, Air Force	5,817,847	6,770,900	6,048,915	607,902	6,425,749	5,817,847	6,770,900	6,048,915	6,425,749
Procurement of Ammunition, Air Force	403,984	436,984	420,784	(5,450)	398,534	403,984	436,984	420,784	398,534
Missile Procurement, Air Force	2,557,741	2,389,183	2,411,241	(181,440)	2,376,301	2,557,741	2,389,183	2,411,241	2,376,301
Other Procurement, Air Force	6,561,253	6,574,096	6,798,453	(17,673)	6,543,580	6,561,253	6,574,096	6,798,453	6,543,580
Procurement, Defense-wide	1,695,085	1,836,989	1,749,285	362,065	2,057,150	1,695,085	1,836,989	1,749,285	2,057,150
Procurement, National Guard and Reserve Equipment	0	700,355	653,000	643,000	643,000	0	700,355	653,000	643,000
Chemical Agents and Munitions Destruction, Army									
Operation & Maintenance	472,200	472,200	467,200	(10,000)	462,200	472,200	472,200	467,200	462,200
Procurement	82,200	82,200	77,200	(10,000)	72,200	82,200	82,200	77,200	72,200
Research, Development, Test & Evaluation	66,300	56,300	70,300	0	66,300	66,300	56,300	70,300	66,300
Procurement, Defense Health Program	274,068	279,068	274,068	0	274,068	0	0	0	0
Procurement, Office of the Inspector General	1,800	1,800	1,800	0	1,800	0	0	0	0
Defense Export Loan Guarantee Program	1,231	1,231	1,231	0	1,231	1,231	1,231	1,231	1,231
Total Procurement	42,882,977	46,595,900	47,028,145	2,890,784	45,773,761	42,607,109	46,315,032	46,752,277	45,497,893

Summary of
National Defense Authorization for FY 1998
(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	FY 1998 BA Request	BA Implications House	BA Implications Senate	BA Implications Conference
TITLE II									
RESEARCH, DEVELOPMENT, TEST & EVALUATION									
Research, Development, Test & Evaluation, Army	4,510,843	4,752,913	4,745,462	122,652	4,633,495	4,510,843	4,752,913	4,745,462	4,633,495
Research, Development, Test & Evaluation, Navy	7,611,022	7,946,996	7,812,972	163,855	7,774,877	7,611,022	7,946,996	7,812,972	7,774,877
Research, Development, Test & Evaluation, Air Force	14,451,379	14,659,736	14,302,264	(112,445)	14,338,934	14,451,379	14,659,736	14,302,264	14,338,934
Research, Development, Test & Evaluation, Defense-wide	9,069,680	9,611,013	9,796,780	476,399	9,546,079	9,071,680	9,613,013	9,798,780	9,548,079
Operational Test & Evaluation, Defense	23,384	23,384	31,384	4,000	27,384	23,384	23,384	31,384	27,384
Developmental Test & Evaluation, Defense	268,183	279,683	268,183	(10,000)	258,183	268,183	279,683	268,183	258,183
FFRDC Reduction	0	0	0	(42,000)	(42,000)	0	0	0	(42,000)
Total Research, Development, Test & Evaluation	35,934,491	37,273,725	36,957,045	602,461	36,536,952	35,936,491	37,275,725	36,959,045	36,538,952
TITLE III									
OPERATION AND MAINTENANCE & WORKING CAPITAL FUNDS									
Operation and Maintenance, Army	17,215,484	17,185,034	17,194,284	(40,895)	17,174,589	17,215,484	17,185,034	17,194,284	17,174,589
Operation and Maintenance, Navy	21,581,130	21,372,699	21,681,330	366,526	21,947,656	21,581,130	21,372,699	21,681,330	21,947,656
Operation and Maintenance, Marine Corps	2,305,345	2,381,245	2,379,445	119,300	2,424,645	2,305,345	2,381,245	2,379,445	2,424,645
Operation and Maintenance, Air Force	18,910,785	18,745,985	18,861,685	262,200	19,172,985	18,910,785	18,745,985	18,861,685	19,172,985
Operation and Maintenance, Defense-wide	10,403,938	10,030,057	10,260,838	(161,331)	10,242,607	10,403,938	10,030,057	10,260,838	10,242,607
Operation and Maintenance, Army Reserve	1,192,891	1,202,891	1,212,891	15,000	1,207,891	1,192,891	1,202,891	1,212,891	1,207,891
Operation and Maintenance, Navy Reserve	834,711	849,711	834,711	12,000	846,711	834,711	849,711	834,711	846,711
Operation and Maintenance, Marine Corps Reserve	110,366	110,366	110,366	6,000	116,366	110,366	110,366	110,366	116,366
Operation and Maintenance, Air Force Reserve	1,624,420	1,629,120	1,631,200	6,780	1,631,200	1,624,420	1,629,120	1,631,200	1,631,200
Operation and Maintenance, Army National Guard	2,258,932	2,266,432	2,288,932	52,500	2,311,432	2,258,932	2,266,432	2,288,932	2,311,432
Operation and Maintenance, Air National Guard	2,991,219	2,985,969	3,004,282	8,563	2,999,782	2,991,219	2,985,969	3,004,282	2,999,782
Office of the Inspector General	136,580	136,580	136,580		136,580	138,380	138,380	138,380	138,380
United States Court of Appeals for the Armed Forces	6,952	6,952	6,952		6,952	6,952	6,952	6,952	6,952
Environmental Restoration, Army	377,337	377,337	350,337	(2,000)	375,337	377,337	377,337	350,337	375,337
Environmental Restoration, Navy	277,500	277,500	257,500	(2,000)	275,500	277,500	277,500	257,500	275,500
Environmental Restoration, Air Force	378,900	378,900	351,900	(2,000)	376,900	378,900	378,900	351,900	376,900
Environmental Restoration, Defense-Wide	27,900	27,900	25,900	(1,000)	26,900	27,900	27,900	25,900	26,900
Environmental Restoration, Formerly Used Defense Sites	202,300	202,300	188,300		202,300	202,300	202,300	188,300	202,300
Overseas Humanitarian, Disaster, & Civic Aid	80,130	50,000	40,130	(33,000)	47,130	80,130	50,000	40,130	47,130

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	FY 1998 BA Request	BA Implications House	BA Implications Senate	BA Implications Conference
Drug Interdiction and Counter-drug Activities, Defense	652,582	661,671	660,882	14,300	666,882	652,582	661,671	660,882	666,882
Defense Health Program	9,766,582	9,975,382	9,954,782	191,200	9,957,782	10,040,650	10,254,450	10,228,850	10,231,850
Former Soviet Union Threat Reduction	382,200	284,700	382,200		382,200	382,200	284,700	382,200	382,200
Overseas Military Investment Recovery		0	0		0	30,322	30,322	30,322	30,322
Disposal of DoD Real Property		0	0		0	41,687	41,687	41,687	41,687
Lease of DoD Real Property		0	0		0	22,533	22,533	22,533	22,533
Payment to Kaho' Olawe Island Fund	10,000	10,000	10,000		10,000	10,000	10,000	10,000	10,000
Restoration of Rocky Mountain Arsenal		0	0		0	5,000	5,000	5,000	5,000
National Science Center, Army		0	0		0	120	120	120	120
Overseas Contingency Operation Transfer Fund	1,467,500	1,467,500	1,467,500	(213,600)	1,253,900	1,467,500	1,467,500	1,467,500	1,253,900
Defense Burdensharing-Allies/Nato		0	0		0	92,000	92,000	92,000	92,000
Subtotal Operation and Maintenance	93,195,684	92,616,231	93,292,927	598,543	93,794,227	93,663,214	93,088,761	93,760,457	94,261,757
REVOLVING FUNDS									
Defense Working Capital Fund (DECA)	33,400	971,952	33,400	938,552	971,952	33,400	971,952	33,400	971,952
Military Commisary Revolving Fund	938,552	0	938,552	(938,552)	0	938,552	0	938,552	0
National Defense Sealift Fund	1,191,426	1,181,626	516,126	(131,478)	1,059,948	1,191,426	1,181,626	516,126	1,059,948
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)			0		0	(150,000)	(150,000)	(150,000)	(150,000)
National Defense Stockpile Transaction Fund (Excess of Routine Sales)			0		0	(120,000)	(120,000)	(120,000)	(120,000)
Subtotal Working Capital Funds	2,163,378	2,153,578	1,488,078	(131,478)	2,031,900	1,893,378	1,883,578	1,218,078	1,761,900
Total Operation and Maintenance & Working Capital Funds	95,359,062	94,769,809	94,781,005	467,065	95,826,127	95,556,592	94,972,339	94,978,535	96,023,657
TITLES IV-V-VI									
MILITARY PERSONNEL									
Total Military Personnel	69,473,762	69,539,862	69,244,962	(3,257)	69,470,505	69,473,762	69,539,862	69,244,962	69,470,505

Summary of
National Defense Authorization for FY 1998
(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	FY 1998 BA Request	BA Implications House	BA Implications Senate	BA Implications Conference
GENERAL PROVISIONS									
DIVISION B									
MILITARY CONSTRUCTION									
Military Construction, Army	595,277	706,027	631,277	103,250	698,527	595,277	706,027	631,277	698,527
Military Construction, Navy	540,106	675,806	601,114	131,460	671,566	540,106	675,806	601,114	681,066
Military Construction, Air Force	495,782	638,447	666,032	178,615	674,397	495,782	638,447	666,032	674,397
Military Construction, Defense-wide	673,633	613,233	680,003	(28,391)	645,242	673,633	613,233	680,003	645,242
Military Construction, Army National Guard	45,098	45,098	170,577	68,652	113,750	45,098	45,098	170,577	113,750
Military Construction, Air National Guard	60,225	137,275	191,169	130,219	190,444	60,225	137,275	191,169	190,444
Military Construction, Army Reserve	39,112	69,831	87,640	27,155	66,267	39,112	69,831	87,640	66,267
Military Construction, Naval Reserve	13,921	40,561	21,213	33,408	47,329	13,921	40,561	21,213	47,329
Military Construction, Air Force Reserve	14,530	34,443	36,680	15,713	30,243	14,530	34,443	36,680	30,243
Base Realignment and Closure II, III, IV	2,060,854	2,060,854	2,060,854	0	2,060,854	2,060,854	2,060,854	2,060,854	2,060,854
NATO Infrastructure	176,300	166,300	152,600	(23,700)	152,600	176,300	166,300	152,600	152,600
Total Military Construction	4,714,838	5,187,875	5,299,159	636,381	5,351,219	4,714,838	5,187,875	5,299,159	5,360,719
FAMILY HOUSING									
Family Housing Construction, Army	143,000	200,400	176,915	54,300	197,300	143,000	200,400	176,915	197,300
Family Housing Support, Army	1,148,937	1,148,937	1,143,286	(34,298)	1,114,639	1,148,937	1,148,937	1,143,286	1,114,639
Family Housing Construction, Navy and Marine Corps	278,933	400,715	321,306	106,436	385,369	278,933	400,715	321,306	385,369
Family Housing Support, Navy and Marine Corps	976,504	976,504	976,504	(6,100)	970,404	976,504	976,504	976,504	970,404
Family Housing Construction, Air Force	253,128	341,409	297,183	42,581	295,709	253,128	341,409	297,183	295,709
Family Housing Support, Air Force	830,234	830,234	830,234	(8,700)	821,534	830,234	830,234	830,234	821,534
Family Housing Construction, Defense-wide	4,950	4,950	4,950	0	4,950	4,950	4,950	4,950	4,950
Family Housing Support, Defense-wide	32,724	32,724	32,724	(100)	32,624	32,724	32,724	32,724	32,624
Total Family Housing	3,668,410	3,935,873	3,783,102	154,119	3,822,529	3,668,410	3,935,873	3,783,102	3,822,529

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	FY 1998 BA Request	BA Implications House	BA Implications Senate	BA Implications Conference
DIVISION C									
TITLE XXXI-XXXII									
ATOMIC ENERGY DEFENSE ACTIVITIES (053)									
Weapons Activities	3,576,255	3,966,050	4,018,450	570,437	4,146,692	3,576,255	3,966,050	4,018,450	4,146,692
Defense Environmental Restoration and Waste Management	5,052,499	5,283,270	5,087,274	477,390	5,529,889	5,052,499	5,283,270	5,087,274	5,529,889
Defense Nuclear Waste Disposal	190,000	190,000	190,000	0	190,000	190,000	190,000	190,000	190,000
Other Defense Actitivities	1,605,981	1,512,551	1,633,981	30,282	1,636,263	1,605,981	1,512,551	1,633,981	1,636,263
Defense Asset Acquisition	2,166,859	0	0	(2,166,859)	0	2,166,859	0	0	0
Defense Environmental Privatization	1,006,000	0	274,700	(1,006,000)	0	1,006,000	0	274,700	0
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500	17,500	17,500	17,500	17,500
Total Atomic Energy Defense Activities (053)	13,615,094	10,969,371	11,221,905	(2,094,750)	11,520,344	13,615,094	10,969,371	11,221,905	11,520,344
Recapitulation									
Department of Defense (Division A)	243,650,292	248,179,296	248,011,157	3,957,053	247,607,345	243,573,954	248,102,958	247,934,819	247,531,007
Department of Defense (Division B)	8,383,248	9,123,748	9,082,261	790,500	9,173,748	8,383,248	9,123,748	9,082,261	9,183,248
Net Other Funds	6,000	1,000	300	(5,600)	400	282,000	277,000	276,300	276,400
Transfer Authority sec 1001 [Memo Entry]	2,500,000	2,000,000	2,500,000	(500,000)	2,000,000	0	2,000,000	2,500,000	2,000,000
Offsetting Receipts	0	0	0	0	0	(1,251,000)	(1,251,000)	(1,251,000)	(1,251,000)
Total Department of Defense Military (051)	252,039,540	257,304,044	257,093,718	4,741,953	256,781,493	250,988,202	256,252,706	256,042,380	255,739,655
Total Atomic Energy Defense Activities (053)	13,615,094	10,969,371	11,221,905	(2,094,750)	11,520,344	13,615,094	10,969,371	11,221,905	11,520,344
Total Defense Related Activities (054)	42,000	0	0	(42,000)	0	978,881	936,881	936,881	936,881
TOTAL NATIONAL DEFENSE FUNCTION (050)	265,696,634	268,273,415	268,315,623	2,605,203	268,301,837	265,582,177	268,158,958	268,201,166	268,196,880

Congressional defense committees

The term ''congressional defense committees'' is often used in this statement of the managers. It means the Defense Authorization and Appropriations Committees of the Senate and House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Overview

The budget request for fiscal year 1998 contained an authorization of $42,883.0 million for Procurement in the Department of Defense. The House bill would authorize $46,595.9 million. The Senate amendment would authorize $47,028.1 million. The conferees recommended an authorization of $45,773.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
PROCUREMENT					
Aircraft Procurement, Army	1,162,459	1,535,264	1,394,459	153,774	1,316,233
Missile Procurement, Army	1,178,151	1,176,516	1,223,851	(435,512)	742,639
Procurement of Weapons and Tracked Combat Vehicles, Army	1,065,707	1,519,527	1,179,107	231,934	1,297,641
Procurement of Ammunition, Army	890,902	1,093,802	1,043,202	120,291	1,011,193
Other Procurement, Army	2,455,030	2,640,277	2,875,730	111,178	2,566,208
Aircraft Procurement, Navy	6,085,965	6,172,950	6,482,265	351,365	6,437,330
Weapons Procurement, Navy	1,136,293	1,214,687	1,200,393	(46,850)	1,089,443
Procurement of Ammunition, Navy and Marine Corps	336,797	470,355	369,797	27,947	364,744
Shipbuilding and Conversion, Navy	7,438,158	7,654,977	8,593,358	757,111	8,195,269
Other Procurement, Navy	2,825,500	3,073,432	3,137,700	145,367	2,970,867
Procurement, Marine Corps	374,306	442,807	554,806	85,775	460,081
Aircraft Procurement, Air Force	5,817,847	6,770,900	6,048,915	607,902	6,425,749
Procurement of Ammunition, Air Force	403,984	436,984	420,784	(5,450)	398,534
Missile Procurement, Air Force	2,557,741	2,389,183	2,411,241	(181,440)	2,376,301
Other Procurement, Air Force	6,561,253	6,574,096	6,798,453	(17,673)	6,543,580
Procurement, Defense-wide	1,695,085	1,836,989	1,749,285	362,065	2,057,150
Procurement, National Guard and Reserve Equipment	0	700,355	653,000	643,000	643,000
Chemical Agents and Munitions Destruction, Army					
Operation & Maintenance	472,200	472,200	467,200	(10,000)	462,200
Procurement	82,200	82,200	77,200	(10,000)	72,200
Research, Development, Test & Evaluation	66,300	56,300	70,300	0	66,300

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Procurement, Defense Health Program	274,068	279,068	274,068	0	274,068
Procurement, Office of the Inspector General	1,800	1,800	1,800	0	1,800
Defense Export Loan Guarantee Program	1,231	1,231	1,231	0	1,231
Total Procurement	42,882,977	46,595,900	47,028,145	2,890,784	45,773,761

Overview

The budget request for fiscal year 1998 contained an authorization of $1.162.5 million for Aircraft Procurement, Army in the Department of Defense. The House bill would authorize $1,535.3 million. The Senate amendment would authorize $1,394.5 million. The conferees recommended an authorization of $1,316.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	AIRCRAFT PROCUREMENT, ARMY										
	AIRCRAFT										
	FIXED WING										
1	ARL (TIARA)		41,048		41,048		41,048				41,048
2	C-XX (MEDIUM RANGE) AIRCRAFT		-		-	5	23,000	5	23,000	5	23,000
3	GUARDRAIL COMMON SENSOR (TIARA)		3,388		3,388		3,388				3,388
3a	SHORT RANGE, UAV				20,000						-
	ROTARY										
4	AH-64 ATTACK HELICOPTER (APACHE)		-		-		-				-
5	UH-60 BLACKHAWK (MYP)	18	246,131	30	342,131	36	373,431	10	89,000	28	335,131
5	LESS: ADVANCE PROCUREMENT (PY)		(62,900)		(62,900)		(62,900)				(62,900
6	ADVANCE PROCUREMENT (CY)		25,000		25,000		25,000				25,000
	CH-47 CARGO HELICOPTER (MYP)		-		-	2	45,000				-
7	HELICOPTER NEW TRAINING		-		-		-				-
	MODIFICATION OF AIRCRAFT										
	MODIFICATION OF AIRCRAFT										
8	GUARDRAIL MODS (TIARA)		15,613		15,613		15,613				15,613
9	AH1F MODS		451		451		451				451
10	AH-64 MODS		41,168		41,168		41,168				41,168
11	CH-47 CARGO HELICOPTER MODS (MYP)		63,854		63,854		63,854				63,854
12	C-12 CARGO AIRPLANE MODS		613		6,613		613		6,000		6,613
13	OH-58 MODS		748		748		748				748
14	C-20 AIRCRAFT MODS		853		853		853				853
15	LONGBOW		497,358		525,858		497,358				497,358
15	LESS: ADVANCE PROCUREMENT (PY)		(22,526)		(22,526)		(22,526)				(22,526
16	ADVANCE PROCUREMENT (CY)		36,932		36,932		36,932				36,932
17	UH-1 MODS		4,679		4,679		2,679		(2,000)		2,679
18	UH-60 MODS		14,353		14,353		14,353				14,353
19	KIOWA WARRIOR		38,822		213,822		53,822		15,000		53,822
20	EH-60 QUICKFIX MODS		38,140		38,140		38,140				38,140
21	AIRBORNE AVIONICS		42,860		42,860		42,860				42,860
22	ASE MODS		4,578		19,578		12,678		14,500		19,078
23	MODIFICATIONS < $2.0M		1,735		1,735		1,735				1,735
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
24	SPARES AND REPAIR PARTS		27,546		27,546		27,546				27,546
	SUPPORT EQUIPMENT AND FACILITIES										
	GROUND SUPPORT AVIONICS										

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
25	AIRCRAFT SURVIVABILITY EQUIPMENT		905		15,705		905		7,400		8,305
	OTHER SUPPORT										
26	AIRBORNE COMMAND & CONTROL		-		-		-				-
27	AVIONICS SUPPORT EQUIPMENT		2,701		2,701		2,701				2,701
28	TRAINING DEVICES		-		18,600		18,600		13,300		13,300
29	COMMON GROUND EQUIPMENT		30,636		30,636		27,636		(3,000)		27,636
30	AIRCREW INTEGRATED SYSTEMS		12,472		12,472		12,472				12,472
31	AIR TRAFFIC CONTROL		5,802		5,802		5,802				5,802
32	INDUSTRIAL FACILITIES		2,049		2,049		2,049				2,049
32a	DMPE				5,700						-
33	AIRBORNE COMMUNICATIONS		47,450		47,450		47,450				47,450
34	CLOSED ACCOUNT ADJUSTMENT		-		-		-				-
35	ADVISORY AND ASSISTANCE SERVICES				(6,795)				(1,426)		(1,426)
	ECONOMIC ASSUMPTIONS								(8,000)		(8,000)
	TOTAL AIRCRAFT PROCUREMENT, ARMY		1,162,459		1,535,264		1,394,459		153,774		1,316,233

FUNDING EXPLANATIONS

UH–60 blackhawk

The budget request included $246.1 million to procure 18 UH-60 Blackhawk helicopters.

The House bill would authorize an increase of $96.0 million for an additional 12 aircraft.

The Senate amendment would authorize an increase of $127.3 million for 18 additional aircraft.

The conferees agree to authorize an increase of $89.0 million for 10 additional aircraft, of which $6.0 million would be used to procure kits to configure UH-60Q medical evacuation aircraft.

Kiowa warrior

The budget request included $38.8 million for Kiowa Warrior helicopter modifications.

The House bill would authorize an increase of $175.0 million to procure 21 aircraft.

The Senate amendment would authorize an additional $15.0 million for safety modifications to existing aircraft.

The House recedes.

Aircraft survivability equipment modifications

The budget request included $4.6 million to support aircraft survivability equipment modifications.

The House bill would authorize an increase of $15.0 million for laser detection sets for Army aircraft.

The Senate amendment would authorize an additional $8.1 million for testing and integration of the suite of integrated radio frequency countermeasures and the suite of integrated infrared countermeasures systems.

The conferees agree to authorize a total of $19.1 million for aircraft survivability equipment modifications, of which $7.0 million would be for laser detection sets and $7.5 million for advanced threat infrared countermeasures.

Aircraft survivability equipment

The budget request included $0.9 million to procure aircraft survivability equipment.

The House bill would authorize an increase of $14.8 million to procure upgrades to the aircraft survivability equipment trainer (ASET) IV system.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $7.4 million for ASET IV upgrades.

Training devices

The budget request included no funds for aircraft training devices.

The House bill and the Senate amendment would authorize an increase of $18.6 million to procure upgrades to flight simulators used in the Korean theater.

The conferees agree to authorize an increase of $13.3 million for these critical simulator upgrades.

Overview

The budget request for fiscal year 1998 contained an authorization of $1.178.2 million for Missile Procurement, Army in the Department of Defense. The House bill would authorize $1,176.5 million. The Senate amendment would authorize $1,223.9 million. The conferees recommended an authorization of $742.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Change Qty	Change Cost	Conference Agreement Qty	Conference Agreement Cost
	MISSILE PROCUREMENT, ARMY										
	OTHER MISSILES										
	SURFACE-TO-AIR MISSILE SYSTEM										
1	PATRIOT SYSTEM SUMMARY (MYP)	52	349,109	52	349,109	52	349,109	(52)	(349,109)		-
2	AVENGER SYSTEM SUMMARY		-		-		15,000		7,400		7,400
	AIR-TO-SURFACE MISSILE SYSTEM										-
3	HELLFIRE SYS SUMMARY	1,465	279,687	1,465	279,687	1,465	268,987	(265)	(30,700)	1,200	248,987
	ANTI-TANK/ASSAULT MISSILE SYSTEM										-
4	JAVELIN (AAWS-M) SYS SUM (MYP)	1,080	153,112	1,080	153,112	1,080	153,112			1,080	153,112
4	LESS: ADVANCE PROCUREMENT (PY)		(10,000)		(10,000)		(10,000)				(10,000)
5	ADVANCE PROCUREMENT (CY)		-		-		-				-
6	TOW 2 SYSTEM SUMMARY		1,326		1,326		1,326				1,326
7	MLRS ROCKET		2,863		2,863		14,863		12,000		14,863
8	MLRS LAUNCHER SYSTEMS	29	102,649	29	102,649	29	127,749	9	13,100	38	115,749
9	ARMY TACTICAL MSL SYS (ATACMS) (MYP)	153	114,494	153	103,724	153	109,494			153	114,494
9	LESS: ADVANCE PROCUREMENT (PY)		(16,680)		(16,680)		(16,680)				(16,680)
10	ADVANCE PROCUREMENT (CY)		-		-		-				-
11	ATACMS/BAT		-		-		-				-
12	BAT	305	85,208	305	85,208	305	85,208	(305)	(85,208)		-
12a	EFOG-M										
	MODIFICATION OF MISSILES										
	MODIFICATIONS										
13	PATRIOT MODS		20,825		20,825		20,825				20,825
14	STINGER MODS		12,411		21,711		21,711		9,300		21,711
15	ITAS/TOW MODS		62,755		69,755		62,755				62,755
16	DRAGON MODS		-		-		-				-
17	MLRS MODS		2,188		2,188		2,188				2,188
17a	AVENGER MODS				13,300						-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
18	SPARES AND REPAIR PARTS		11,381		11,381		11,381				11,381
	SUPPORT EQUIPMENT AND FACILITIES										
	SUPPORT EQUIPMENT AND FACILITIES										
19	AIR DEFENSE TARGETS		998		998		998				998
20	ITEMS LESS THAN $2.0M (MISSILES)		954		954		954				954
21	MISSILE DEMILITARIZATION		1,507		1,507		1,507				1,507
22	PRODUCTION BASE SUPPORT		3,364		3,364		3,364				3,364
23	ADVISORY AND ASSISTANCE SERVICES				(20,465)				(4,295)		(4,295)

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Change Qty	Change Cost	Conference Agreement Qty	Conference Agreement Cost
	ECONOMIC ASSUMPTIONS								(8,000)		(8,000)
	TOTAL MISSILE PROCUREMENT, ARMY		1,178,151		1,176,516		1,223,851		(435,512)		742,639

Avenger

The budget request included no funds for procurement of Avenger missile systems.

The House bill would authorize an increase of $13.3 million for Avenger slew-to-cue modifications.

The Senate amendment would authorize an increase of $15.0 million to the budget request: $13.0 million for Avenger slew-to-cue modifications; and $2.0 million for Avenger table top trainers for the Army National Guard.

The conferees agree to authorize $7.4 million for Avenger slew-to-cue modifications.

Hellfire

The budget request included $279.7 million for procurement of Hellfire missile systems.

The House bill would support the budget request.

The Senate amendment would reduce the budget request by $10.7 million.

The conferees agree to reduce the Hellfire missile program by $30.7 million.

Multiple launch rocket system rocket

The budget request included $2.9 million for procurement of Multiple Launch Rocket System (MLRS) rockets.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $12.0 million for procurement of extended range MLRS rockets.

The House recedes.

Multiple launch rocket system launcher

The budget request included $102.6 million to support procurement of Multiple Launch Rocket System (MLRS) launchers.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $25.1 million for MLRS launchers necessary to accelerate Army plans to convert MLRS force structure to a new 2 X 9 configuration.

The conferees agree to authorize $115.7 million for this program. This total includes $25.1 million for additional launchers and a transfer of $12.0 million to MLRS extended range rockets.

Brilliant anti-armor submunition

The budget request included $85.2 million for procurement of Brilliant Anti-Armor Submunition (BAT) submunitions.

The House bill and Senate amendment would authorize the budget request.

The conferees are concerned about the Army's procurement of basic BAT munitions prior to production and fielding of the objective preplanned product improvement (P3I) BAT system. While the conferees understand that the Army plans to use the basic BAT as a bridge to the P3I system for development and fielding of the Block II Army Tactical Missile System, it is clear that the basic BAT system is solely an interim solution and cannot meet the entire range of system requirements. The conferees agree to eliminate funding for the basic BAT munition. The conferees, in support of an alternative to procuring basic BAT munitions, agree to authorize a transfer of $35.0 million to PE 64768A in order to accelerate development and production of the P3I BAT.

Overview

The budget request for fiscal year 1998 contained an authorization of $1,065.7 million for Weapons and Tracked Combat Vehicles Procurement, Army in the Department of Defense. The House bill would authorize $1,519.5 million. The Senate amendment would authorize $1,179.1 million. The conferees recommended an authorization of $1,297.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT OF W&TCV, ARMY										
	TRACKED COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
1	ABRAMS TRNG DEV MOD		2,222		2,222		2,222				2,222
2	BRADLEY BASE SUSTAINMENT		125,591		125,591		187,991		95,000		220,591
3	BRADLEY FVS TRAINING DEVICES		1,417		1,417		1,417				1,417
4	HAB TRAINING DEVICES		-		-		-				-
5	BRADLEY FVS TRAINING DEVICES (MOD)		-		-		-				-
6	FIELD ARTILLERY AMMUNITION SUPPORT VEH		-		-		-	36	40,000	36	40,000
7	ARMORED COMBAT EARTHMOVER		-	54	52,400		-				-
8	ABRAMS TANK TRAINING DEVICES		13,351		13,351		13,351				13,351
9	M1 ABRAMS TANK SERIES (MYP)		-		-		-				-
10	COMMAND & CONTROL VEHICLE	5	30,897	5	30,897	5	30,897			5	30,897
	MODIFICATION OF TRACKED COMBAT VEHICLES										
11	CARRIER, MOD		20,244		64,844		40,244		20,000		40,244
12	FIST VEHICLE (MOD)		14,656		14,656		14,656				14,656
13	BFVS SERIES (MOD)		61,232		181,232		61,232				61,232
14	HOWITZER, MED SP FT 155MM M109A6 (MOD)		18,706		129,706		18,706	36	56,000	36	74,706
15	HOWITZER, MED SP FT 155MM M109A5 (MOD)		-		-		-				-
16	FAASV PIP TO FLEET		1,922		83,022		1,922				1,922
17	IMPROVED RECOVERY VEHICLE (M88 MOD)		28,601		56,401		28,601		4,000		32,601
18	BREACHER SYSTEM (MOD)		-		-		-				-
19	HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)		42,205		42,205		42,205				42,205
20	M1 ABRAMS TANK (MOD)		29,843		29,843		32,843				29,843
21	ABRAMS UPGRADE PROGRAM		328,628		328,628		328,628				328,628
21a	ADV PROCURMENT-ABRAMS UPGRADE PROGRAM		266,228		266,228		266,228				266,228
22	MODIFICATIONS LESS THAN $2.0M (TCV-WTCV)		1,030		1,030		1,030				1,030
	SUPPORT EQUIPMENT AND FACILITIES										
23	ITEMS LESS THAN $2.0M (TCV-WTCV)		139		139		139				139
24	PRODUCTION BASE SUPPORT (TCV-WTCV)		8,942		8,942		8,942				8,942
25	REGIONAL MAINTENANCE TRAINING SITES-EQUIP		-		-		-				-
	WEAPONS AND OTHER COMBAT VEHICLES										
	WEAPONS AND OTHER COMBAT VEHICLES										
26	PERSONAL DEFENSE WEAPON (ROLL)		-		-		-				-
27	ARMOR MACHINE GUN, 7.62MM M240 SERIES		-	2,100	20,000		-	1,500	15,000	1,500	15,000
28	MACHINE GUN, 5.56MM (SAW)	406	5,569	406	5,569	406	5,569			406	5,569
29	GRENADE LAUNCHER, AUTO, 40MM, MK19-3		-		-		13,000		8,000		8,000
30	MORTAR, 120MM		-		-		-				-

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
31	M16 RIFLE	11,297	5,089	11,297	5,089	11,297	5,089			11,297	5,089
32	5.56 CARBINE M4	7,484	5,089	7,484	7,089	7,484	5,089			7,484	5,089
	MODIFICATION OF WEAPONS AND OTHER COMBAT VEH										
33	M4 CARBINE MODS		2,152		2,152		2,152				2,152
34	MEDIUM MACHINE GUNS (MODS)		-		-		15,000				-
35	M119 MODIFICATIONS		4,977		4,977		4,977				4,977
36	M16 RIFLE MODS		7,603		7,603		7,603				7,603
37	MODIFICATIONS LESS THAN $2.0M (WOCV-WTCV)		1,406		1,406		1,406				1,406
	SUPPORT EQUIPMENT AND FACILITIES										
38	ITEMS LESS THAN $2.0M (WOCV-WTCV)		1,215		1,215		1,215				1,215
39	PRODUCTION BASE SUPPORT (WOCV-WTCV)		6,195		6,195		6,195				6,195
40	INDUSTRIAL PREPAREDNESS		5,758		5,758		5,758				5,758
41	SMALL ARMS (SOLDIER ENH PROG)		4,178		4,178		4,178				4,178
	SPARE AND REPAIR PARTS										
	SPARES										
42	SPARES AND REPAIR PARTS (WTCV)		20,622		20,622		20,622				20,622
43	ADVISORY AND ASSISTANCE SERVICES				(5,080)				(1,066)		(1,066)
	ECONOMIC ADJUSTMENTS								(5,000)		(5,000)
	TOTAL PROCUREMENT OF W&TCV, ARMY		1,065,707		1,519,527		1,179,107		231,934		1,297,641

Bradley base sustainment

The budget request included $125.6 million to upgrade Bradley Fighting Vehicles (BFV).

The House bill would authorize the budget request but would also authorize $120.0 million for A0 to A2 Operation Desert Storm (ODS) upgrades for the Army National Guard (ARNG) in the BFV funding line.

The Senate amendment would authorize an increase of $62.4 million to maintain low-rate production rates for A3 upgrades necessary prior to full scale production in 1999.

The conferees agree to authorize an increase of $95.0 million for BFV ODS upgrades for the ARNG.

Field artillery ammunition support vehicle

The budget request included no funds for Field Artillery Ammunition Support Vehicles (FAASV).

The House bill would authorize an increase of $81.1 million to procure 72 FAASV systems.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $40.0 million for the FAASV systems necessary to support Army National Guard artillery modernization.

M109A6 paladin howitzer

The budget request included $18.7 million for Paladin howitzer artillery system support.

The House bill would authorize an increase of $111.0 million to procure 72 Paladin howitzer systems.

The Senate amendment would authorize the budget request.

The Senate recedes with an amendment that would authorize an increase of $56.0 million for no less than 36 Paladin systems.

The conferees agree to authorize $74.7 million for the M109A6 Paladin in support of Army National Guard artillery modernization.

Improved recovery vehicle

The budget request included $28.6 million for Improved Recovery Vehicle (IRV) program support.

The House bill would authorize an increase of $27.8 million to procure an additional 12 vehicles.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $32.6 million for IRV system requirements.

Overview

The budget request for fiscal year 1998 contained an authorization of $336.8 million for Ammunition Procurement, Navy and Marine Corps in the Department of Defense. The House bill would authorize $470.4 million. The Senate amendment would authorize $369.8 million. The conferees recommended an authorization of $364.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP										
	PROC AMMO, NAVY										
	NAVY AMMUNITION										
1	GENERAL PURPOSE BOMBS		12,849		12,849		12,849				12,849
2	JDAM	668	38,520	668	38,520	668	38,520			668	38,520
3	2.75 INCH ROCKETS		15,833		15,833		15,833				15,833
4	MACHINE GUN AMMUNITION		7,823		7,823		7,823				7,823
5	PRACTICE BOMBS		41,766		41,766		41,766				41,766
6	CARTRIDGES & CART ACTUATED DEVICES		24,373		24,373		24,373				24,373
7	AIRCRAFT ESCAPE ROCKETS		8,544		8,544		8,544				8,544
8	AIR EXPENDABLE COUNTERMEASURES		22,724		22,724		22,724				22,724
9	MARINE LOCATION MARKERS		655		655		655				655
10	JATOS		4,517		4,517		4,517				4,517
11	5 INCH/54 GUN AMMUNITION		27,669		27,669		27,669				27,669
12	CIWS AMMUNITION		467		467		467				467
13	76MM GUN AMMUNITION		3,446		3,446		3,446				3,446
14	OTHER SHIP GUN AMMUNITION		4,499		4,499		4,499				4,499
15	SMALL ARMS & LANDING PARTY AMMO		7,756		7,756		7,756				7,756
16	PYROTECHNIC AND DEMOLITION		10,216		10,216		10,216				10,216
17	MINE NEUTRALIZATION DEVICES		6,321		6,321		6,321				6,321
18	SHIP EXPENDABLE COUNTERMEASURES		-		-		-				-
19	CANCELLED ACCOUNT ADJUSTMENTS (87)		-		-		-				-
19a	20 MM PGU-28				7,000				1,750		1,750
	PROC AMMO, MC										
	MARINE CORPS AMMUNITION										
20	5.56 MM, ALL TYPES		33,000		36,000		36,000		3,000		36,000
21	7.62 MM, ALL TYPES		2,900		8,900		2,900		3,000		5,900
22	LINEAR CHARGES, ALL TYPES		2,290		13,790		2,290		7,500		9,790
22a	CHARGE DEMO ASSEMBLY				-						-
23	.50 CALIBER		1,700		1,700		1,700				1,700
24	40 MM, ALL TYPES		5,701		16,301		10,701		1,500		7,201
25	60 MM HE M888		-		-		-				-
26	81 MM HE		-		-		-				-
27	81MM, ALL TYPES		-		-		-				-
28	81 MM SMOKE SCREEN		-		-		-				-
29	120MM, ALL TYPES		15,481		48,881		15,481				15,481
30	120MM TPCSDS-T M865		-		5,200		-				-
31	120 MM TP-T M831		-		-		-				-

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
32	155MM CHG. PROP. RED BAG		-		-		-				-
33	FUZE, ET, XM762		-		7,000		-		3,500		3,500
34	CTG 25MM, ALL TYPES		2,181		3,281		2,181				2,181
35	9 MM ALL TYPES		3,684		3,684		3,684				3,684
36	GRENADES, ALL TYPES		2,882		6,282		2,882				2,882
37	ROCKETS, ALL TYPES		15,047		15,047		25,047		10,000		25,047
38	DEMOLITION MUNITIONS, ALL TYPES		600		43,900		15,600				600
39	FUZE, ALL TYPES		-		3,500		-				-
40	NON LETHALS		2,000		2,000		2,000				2,000
41	AMMO MODERNIZATION		9,888		9,888		9,888				9,888
42	ITEMS LESS THAN $2 MIL		1,465		1,465		1,465				1,465
43	ADVISORY AND ASSISTANCE SERVICES				(1,442)				(303)		(303)
	ECONOMIC ASSUMPTIONS								(2,000)		(2,000)
	TOTAL PROC OF AMMUNITION, NAVY & MARINE CORP		336,797		470,355		369,797		27,947		364,744

Overview

The budget request for fiscal year 1998 contained an authorization of $7,438.2 million for Shipbuilding and Conversion Procurement, Navy in the Department of Defense. The House bill would authorize $7,655.0 million. The Senate amendment would authorize $8,593.4 million. The conferees recommended an authorization of 8,195.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	SHIPBUILDING & CONVERSION, NAVY										
	OTHER WARSHIPS										
	OTHER WARSHIPS										
	CARRIER REPLACEMENT PROGRAM										
	ADVANCED PROCUREMENT/CONSTRUCTION CVN-77				-		345,000		50,000		50,000
1	SSN-21		153,444		153,444		153,444				153,444
1	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
2	NEW SSN	1	3,296,374	1	3,296,374	1	3,311,374			1	3,296,374
2	LESS: ADVANCE PROCUREMENT (PY)		(981,471)		(981,471)		(981,471)				(981,471)
3	ADVANCE PROCUREMENT (CY)		284,859		284,859		284,859				284,859
	CVN-77 (AP)										-
4	CVN REFUELING OVERHAULS	1	2,136,625	1	2,130,025	1	2,136,625			1	2,136,625
4	LESS: ADVANCE PROCUREMENT (PY)		(521,622)		(521,622)		(521,622)				(521,622)
5	ADVANCE PROCUREMENT (CY)		92,855		92,855		92,855		(46,000)		46,855
6	CGN REFUELING OVERHAULS		-		-		-				-
6	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
7	DDG-51	3	2,788,839	3	2,788,839	4	3,508,839	1	720,000	4	3,508,839
7	LESS: ADVANCE PROCUREMENT (PY)		(123,072)		(123,072)		(123,072)				(123,072)
8	ADVANCE PROCUREMENT (CY)		157,806		157,806		157,806				157,806
	AMPHIBIOUS SHIPS										
	AMPHIBIOUS SHIPS										
9	COMPLETION OF LSD-52		-		-		-				-
10	LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP)		-		-		-				-
10	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
11	LPD-17		-		185,000		-		100,000		100,000
	AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR										
	AUXILIARIES, CRAFT AND PRIOR YEAR PROGRAM COST										
12	AE(CONV)		-		-		-				-
13	OCEANOGRAPHIC SHIPS		-		-	1	75,200				-
13	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
13a	TAGS 65			1	75,200						-
14	ADVANCE PROCUREMENT (CY)		-		-		-		16,000		16,000
15	SERVICE CRAFT		33,859		33,859		33,859				33,859
16	LCAC LANDING CRAFT		-		17,300		-		17,300		17,300
17	OUTFITTING		28,140		21,140		28,140		(7,000)		21,140
18	FAST PATROL CRAFT		-		20,000		-				-
19	POST DELIVERY		90,177		81,177		90,177		(9,000)		81,177
20	AFS (CONV)		-		-		-				-

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
21	FIRST DESTINATION TRANSPORTATION		1,345		1,345		1,345				1,345
22	ADVISORY AND ASSISTANCE SERVICES				(58,081)				(12,189)		(12,189)
	ECONOMIC ASSUMPTIONS								(72,000)		(72,000)
	TOTAL SHIPBUILDING & CONVERSION, NAVY		7,438,158		7,654,977		8,593,358		757,111		8,195,269

LPD–18

The budget request included no funds for the LPD–18.

The House bill would authorize $185.0 million for advance procurement of this type ship.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $100.0 million for the advance procurement of one LPD–17 class ship.

Oceanographic survey ship

The budget request included no funds for an additional oceanographic survey ship.

The House bill and Senate amendment would authorize $75.2 million for one TAGS–65 oceanographic survey ship.

The conferees agree to authorize $16.0 million advance procurement for one TAGS–65 oceanographic survey ship.

Overview

The budget request for fiscal year 1998 contained an authorization of $2,825.5 million for Other Procurement, Navy in the Department of Defense. The House bill would authorize $3,073.4 million. The Senate amendment would authorize $3,137.7 million. The conferees recommended an authorization of $2,970.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	OTHER PROCUREMENT, NAVY										
	SHIPS SUPPORT EQUIPMENT										
	SHIP PROPULSION EQUIPMENT										
1	LM-2500 GAS TURBINE		7,548		7,548		7,548		(2,000)		5,548
2	ALLISON 501K GAS TURBINE		5,897		5,897		5,897				5,897
3	STEAM PROPULSION IMPROVEMENT		541		541		541				541
4	OTHER PROPULSION EQUIPMENT		12,077		12,077		12,077				12,077
	GENERATORS										
5	OTHER GENERATORS		1,810		1,810		1,810				1,810
	PUMPS										
6	OTHER PUMPS		444		444		444				444
	PROPELLERS										
7	SUBMARINE PROPELLERS		-		-		-				-
8	OTHER PROPELLERS AND SHAFTS		1,496		1,496		39,796				1,496
	NAVIGATION EQUIPMENT										
9	OTHER NAVIGATION EQUIPMENT		31,552		49,552		49,552		10,500		42,052
	UNDERWAY REPLENISHMENT EQUIPMENT										
10	UNDERWAY REPLENISHMENT EQUIPMENT		8,189		8,189		8,189				8,189
	PERISCOPES										
11	SUB PERISCOPES & IMAGING EQUIP		32,131		32,131		32,131				32,131
	OTHER SHIPBOARD EQUIPMENT										
12	FIREFIGHTING EQUIPMENT		14,081		37,081		14,081		5,000		19,081
13	COMMAND AND CONTROL SWITCHBOARD		8,049		8,049		8,049				8,049
14	POLLUTION CONTROL EQUIPMENT		156,775		150,495		147,975		(21,000)		135,775
15	SUBMARINE SILENCING EQUIPMENT		4,285		4,285		4,285				4,285
16	SUBMARINE BATTERIES		9,043		9,043		9,043		(600)		8,443
17	SSN21 CLASS SUPPORT EQUIPMENT		6,442		6,442		6,442				6,442
18	STRATEGIC PLATFORM SUPPORT EQUIP		6,435		6,435		6,435				6,435
19	DSSP EQUIPMENT		7,269		7,269		7,269				7,269
20	MINESWEEPING EQUIPMENT		4,940		4,940		4,940				4,940
21	HM&E ITEMS UNDER $2 MILLION		51,059		51,059		51,059				51,059
22	SURFACE IMA		2,026		2,026		2,026				2,026
23	RADIOLOGICAL CONTROLS		163		163		163				163
24	MINI/MICROMINI ELECTRONIC REPAIR		495		495		495				495
	REACTOR PLANT EQUIPMENT										
25	REACTOR POWER UNITS		108,542		108,542		108,542				108,542
26	REACTOR COMPONENTS		193,880		180,880		193,880		(13,000)		180,880
	OCEAN ENGINEERING										

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
27	DIVING AND SALVAGE EQUIPMENT		4,860		4,860		4,860				4,860
28	EOD UNDERWATER EQUIPMENT		9,050		9,050		9,050				9,050
	SMALL BOATS										
29	STANDARD BOATS		4,932		4,932		4,932				4,932
	TRAINING EQUIPMENT										
30	OTHER SHIPS TRAINING EQUIPMENT		1,815		1,815		1,815				1,815
	PRODUCTION FACILITIES EQUIPMENT										
31	PRODUCTION SUPPORT FACILITIES		353		353		353				353
32	OPERATING FORCES IPE		888		888		888				888
	OTHER SHIP SUPPORT										
33	NUCLEAR ALTERATIONS		74,053		74,053		74,053				74,053
34	MODERNIZATION SUPPORT		-		-		-				-
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	SHIP RADARS						-				
35	AN/SPS-40		669		669		669				669
36	AN/SPS-48		230		230		230				230
37	AN/SPS-49		13,401		13,401		13,401				13,401
38	AN/SYS-()		-		-		-				-
39	MK-23 TARGET ACQUISITION SYSTEM		1,923		1,923		1,923				1,923
40	RADAR SUPPORT		1,708		23,708		10,708		22,000		23,708
41	SURFACE ELECTRO-OPTICAL SYSTEM		-		-		-				-
42	TISS		13,703		13,703		13,703				13,703
	SHIP SONARS										
43	SURFACE SONAR SUPPORT EQUIPMENT		3,810		3,810		3,810				3,810
44	AN/SQQ-89 SURF ASW COMBAT SYSTEM		16,628		16,628		16,628		(400)		16,228
45	SSN ACOUSTICS		77,953		85,953		77,953		8,000		85,953
46	SURFACE SONAR WINDOWS AND DOME		-		6,000		-		6,000		6,000
47	SONAR SUPPORT EQUIPMENT		5,430		5,430		5,430				5,430
48	SONAR SWITCHES AND TRANSDUCERS		11,574		11,574		11,574				11,574
	ASW ELECTRONIC EQUIPMENT										
49	SUBMARINE ACOUSTIC WARFARE SYSTEM		4,259		4,259		4,259				4,259
50	SSTD		344		12,944		344				344
51	ACOUSTIC COMMUNICATIONS		412		412		412				412
52	FIXED SURVEILLANCE SYSTEM		15,175		15,175		15,175				15,175
53	SURTASS		7,108		7,108		7,108				7,108
54	ASW OPERATIONS CENTER		5,255		5,255		5,255				5,255
55	CARRIER ASW MODULE		16		16		16				16
	ELECTRONIC WARFARE EQUIPMENT										

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
56	AN/SLQ-32		2,119		2,119		2,119				2,119
57	AN/WLR-1		-		-		-				-
58	INFORMATION WARFARE SYSTEMS		3,781		3,781		3,781				3,781
59	EW SUPPORT EQUIPMENT		4,216		4,216		4,216				4,216
60	C-3 COUNTERMEASURES		6,891		6,891		6,891		(300)		6,591
	RECONNAISSANCE EQUIPMENT										
61	COMBAT DF		10,473		10,473		10,473		(4,600)		5,873
62	OUTBOARD		11,674		11,674		11,674				11,674
63	BATTLE GROUP PASSIVE HORIZON EXTEN		50,221		50,221		50,221		(2,800)		47,421
	SUBMARINE SURVEILLANCE EQUIPMENT										
64	AN/WLQ-4		4,479		4,479		4,479				4,479
65	SUBMARINE SUPPORT EQUIPMENT PROG		6,904		6,904		6,904				6,904
	OTHER SHIP ELECTRONIC EQUIPMENT										
66	NAVY TACTICAL DATA SYSTEM		14,335		24,335		14,335		10,000		24,335
67	COOPERATIVE ENGAGEMENT CAPABILITY		-		114,800		74,800		75,000		75,000
68	JMCIS AFLOAT		22,403		22,403		34,403		6,000		28,403
69	NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)		49,710		49,710		114,410		31,000		80,710
70	ATDLS		16,991		16,991		16,991		(1,600)		15,391
71	MINESWEEPING SYSTEM REPLACEMENT		15,848		15,848		15,848				15,848
72	SHALLOW WATER MCM		-		-		-				-
73	EMSP (MYP)		-		-		-				-
74	NAVSTAR GPS RECEIVERS (SPACE)		5,006		5,006		5,006				5,006
75	HF LINK-11 DATA TERMINALS		-		-		-				-
76	ARMED FORCES RADIO AND TV		15,665		15,665		15,665				15,665
77	STRATEGIC PLATFORM SUPPORT EQUIP		7,499		7,499		7,499				7,499
	TRAINING EQUIPMENT										
78	OTHER SPAWAR TRAINING EQUIPMENT		3,569		3,569		3,569				3,569
79	OTHER TRAINING EQUIPMENT		24,529		24,529		24,529				24,529
	AVIATION ELECTRONIC EQUIPMENT										
80	MATCALS		9,726		9,726		9,726				9,726
81	SHIPBOARD AIR TRAFFIC CONTROL		2,971		2,971		2,971				2,971
82	AUTOMATIC CARRIER LANDING SYSTEM		13,200		13,200		13,200		(1,000)		12,200
83	NATIONAL AIR SPACE SYSTEM		2,239		2,239		2,239				2,239
84	TACAN		-		-		-				-
85	AIR STATION SUPPORT EQUIPMENT		9,495		9,495		9,495				9,495
86	MICROWAVE LANDING SYSTEM		5,311		5,311		5,311				5,311
87	FACSFAC		7,001		7,001		7,001				7,001
88	ID SYSTEMS		11,293		11,293		11,293		(2,100)		9,193

TITLE I - PROCUREMENT
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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
89	SURFACE IDENTIFICATION SYSTEMS		-		-		-				-
90	TAC A/C MISSION PLANNING SYS(TAMPS)		15,722		15,722		15,722				15,722
	OTHER SHORE ELECTRONIC EQUIPMENT										
91	JMCIS ASHORE		3,393		3,393		3,393				3,393
92	JMCIS OED		343		343		343				343
93	TADIX-B		5,239		5,239		5,239				5,239
94	NATIONAL IMAGERY SUPPORT		-		-		-				-
95	JMCIS TACTICAL/MOBILE		2,888		2,888		2,888				2,888
96	RADIAC		6,093		6,093		6,093				6,093
97	GPETE		7,461		7,461		7,461				7,461
98	INTEG COMBAT SYSTEM TEST FACILITY		3,877		3,877		7,877				3,877
99	CALIBRATION STANDARDS		2,075		2,075		2,075				2,075
100	EMI CONTROL INSTRUMENTATION		4,984		4,984		4,984				4,984
101	SHORE ELEC ITEMS UNDER $2 MILLION		3,425		3,425		3,425				3,425
	SHIPBOARD COMMUNICATIONS										
102	SHIPBOARD TACTICAL COMMUNICATIONS		24,497		24,497		24,497				24,497
103	PORTABLE RADIOS		2,375		2,375		2,375				2,375
104	SINCGARS		7,426		7,426		7,426				7,426
105	SHIP COMMUNICATIONS AUTOMATION		25,799		25,799		49,799		4,000		29,799
106	SHIP COMM ITEMS UNDER $2 MILLION		12,374		12,374		12,374				12,374
	SUBMARINE COMMUNICATIONS										
107	SHORE LF/VLF COMMUNICATIONS		7,751		7,751		7,751				7,751
108	SUBMARINE COMMUNICATION EQUIPMENT		37,239		37,239		37,239				37,239
109	ADVANCED VLF RECEIVER		7,643		7,643		7,643				7,643
	SATELLITE COMMUNICATIONS										
110	SATCOM SHIP TERMINALS (SPACE)		107,608		107,608		122,808		2,000		109,608
111	SATCOM SHORE TERMINALS (SPACE)		4,987		4,987		4,987				4,987
	SHORE COMMUNICATIONS										
112	JCS COMMUNICATIONS EQUIPMENT		2,603		2,603		2,603				2,603
113	NSIPS		-		-		-				-
114	JEDMICS		-		-		-				-
115	GCCS EQUIPMENT		1,560		1,560		1,560				1,560
116	NAVAL SHORE COMMUNICATIONS		72,465		72,465		96,465		12,000		84,465
	CRYPTOGRAPHIC EQUIPMENT										
117	SECURE VOICE SYSTEM		-		-		-				-
118	SECURE DATA SYSTEM		-		-		-				-
119	INFO SYSTEMS SECURITY PROGRAM (ISSP)		31,667		31,667		39,667		3,000		34,667
120	KEY MANAGEMENT SYSTEMS		-		-		-				-

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	CRYPTOLOGIC EQUIPMENT										
121	CRYPTOLOGIC COMMUNICATIONS EQUIP		7,122		7,122		7,122				7,122
	OTHER ELECTRONIC SUPPORT										
122	ELEC ENGINEERED MAINT (NAVSEA)		-		-		-				-
	DRUG INTERDICTION SUPPORT										
123	OTHER DRUG INTERDICTION SUPPORT		-		-		-				-
	AVIATION SUPPORT EQUIPMENT										
	SONOBUOYS										
124	AN/SSQ-36 (BT)		1,402		2,902		1,402		350		1,752
125	AN/SSQ-53 (DIFAR)		28,382		52,082		47,382		19,000		47,382
126	AN/SSQ-62 (DICASS)		24,291		32,891		31,291		7,000		31,291
127	AN/SSQ-101 (ADAR)		-		-		-				-
128	AN/SSQ-110		-		5,000		-				-
129	SIGNAL, UNDERWATER SOUND (SUS)		672		3,172		672				672
129a	AN/SSQ-57				4,500				500		500
	AIRCRAFT SUPPORT EQUIPMENT										
130	WEAPONS RANGE SUPPORT EQUIPMENT		4,858		14,358		4,858		6,000		10,858
131	EXPEDITIONARY AIRFIELDS		1,252		1,252		1,252				1,252
132	AIRCRAFT REARMING EQUIPMENT		10,356		10,356		10,356				10,356
133	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT		29,630		29,630		29,630				29,630
134	PREDATOR UAV (DARP)		-		-		-				-
135	PIONEER UAV (DARP)		-		-		-				-
136	METEOROLOGICAL EQUIPMENT		17,816		17,816		17,816				17,816
137	OTHER PHOTOGRAPHIC EQUIPMENT		805		805		805				805
138	AVIATION LIFE SUPPORT		15,345		15,345		15,345		(2,700)		12,645
139	AIRBORNE MINE COUNTERMEASURES		20,192		27,692		20,192		7,500		27,692
140	LAMPS MK III SHIPBOARD EQUIPMENT		5,805		5,805		5,805		(1,245)		4,560
141	REWSON PHOTOGRAPHIC EQUIPMENT		693		693		693				693
142	STOCK SURVEILLANCE EQUIPMENT		1,586		1,586		1,586				1,586
143	OTHER AVIATION SUPPORT EQUIPMENT		6,165		6,165		6,165				6,165
144	SAFETY & SURVIVABILITY ITEMS		-		-		-				-
	ORDNANCE SUPPORT EQUIPMENT										
	SHIP GUN SYSTEM EQUIPMENT										
145	GUN FIRE CONTROL EQUIPMENT		9,753		9,753		9,753				9,753
	SHIP MISSILE SYSTEMS EQUIPMENT										
146	MK-92 FIRE CONTROL SYSTEM		906		906		906				906
147	HARPOON SUPPORT EQUIPMENT		243		243		243				243
148	TARTAR SUPPORT EQUIPMENT		-		-		-				-

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
149	POINT DEFENSE SUPPORT EQUIPMENT		-		-		-				-
150	AIRBORNE ECM/ECCM		-		-		-				-
151	ENGAGEMENT SYSTEMS SUPPORT		6,881		6,881		6,881				6,881
152	NATO SEASPARROW		6,866		6,866		14,866		6,000		12,866
153	RAM GMLS		68,292		68,292		68,292				68,292
154	SHIP SELF DEFENSE SYSTEM		5,841		5,841		5,841				5,841
155	AEGIS SUPPORT EQUIPMENT		26,813		34,813		26,813		(5,700)		21,113
156	SURFACE TOMAHAWK SUPPORT EQUIPMENT		65,502		65,502		65,502		(200)		65,302
157	SUBMARINE TOMAHAWK SUPPORT EQUIP		1,425		1,425		1,425				1,425
158	VERTICAL LAUNCH SYSTEMS		7,591		7,591		7,591				7,591
	FBM SUPPORT EQUIPMENT										
159	STRATEGIC PLATFORM SUPPORT EQUIP		2,312		2,312		2,312				2,312
160	STRATEGIC MISSILE SYSTEMS EQUIP		231,528		231,528		231,528		(2,800)		228,728
	ASW SUPPORT EQUIPMENT										
161	SSN COMBAT CONTROL SYSTEMS		20,511		20,511		20,511				20,511
162	SUBMARINE ASW SUPPORT EQUIPMENT		3,442		3,442		3,442				3,442
163	SURFACE ASW SUPPORT EQUIPMENT		5,929		5,929		5,929				5,929
164	ASW RANGE SUPPORT EQUIPMENT		3,551		3,551		3,551				3,551
	OTHER ORDNANCE SUPPORT EQUIPMENT										
165	EXPLOSIVE ORDNANCE DISPOSAL EQUIP		7,521		7,521		7,521				7,521
166	UNMANNED SEABORNE TARGET		4,271		4,271		4,271		(2,000)		2,271
167	ANTI-SHIP MISSILE DECOY SYSTEM		24,696		24,696		33,696		9,000		33,696
168	INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT)		1,373		1,373		1,373				1,373
169	STOCK SURVEILLANCE EQUIPMENT		1,292		1,292		1,292				1,292
	OTHER EXPENDABLE ORDNANCE										
170	PYROTECHNIC AND DEMOLITION (SOF)		-		-		-				-
171	FLEET MINE SUPPORT EQUIPMENT		5,269		5,269		5,269				5,269
172	SURFACE TRAINING DEVICE MODS		4,829		4,829		4,829				4,829
173	SUBMARINE TRAINING DEVICE MODS		23,025		23,025		23,025				23,025
174	INDUSTRIAL DEPOT MAINTENANCE		-		-		-				-
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
175	ARMORED SEDANS		274		274		274				274
176	PASSENGER CARRYING VEHICLES	194	5,689	194	5,689	194	5,689			194	5,689
177	SPECIAL PURPOSE VEHICLES		2,795		2,795		2,795				2,795
178	GENERAL PURPOSE TRUCKS		-		-		-				-
179	TRAILERS/TRUCK TRACTORS		-		-		-				-
180	EARTH MOVING EQUIPMENT		-		-		-				-

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
181	CONSTRUCTION & MAINTENANCE EQUIP		3,700		3,700		3,700		-		3,700
182	FIRE FIGHTING EQUIPMENT		1,543		1,543		1,543				1,543
183	TACTICAL VEHICLES		2,459		2,459		2,459				2,459
184	WEIGHT HANDLING EQUIPMENT		-		-		-				-
185	AMPHIBIOUS EQUIPMENT		6,233		6,233		6,233		-		6,233
186	COMBAT CONSTRUCTION SUPPORT EQUIP		245		245		245				245
187	MOBILE UTILITIES SUPPORT EQUIPMENT		1,160		1,160		1,160				1,160
188	COLLATERAL EQUIPMENT		530		530		530				530
189	OCEAN CONSTRUCTION EQUIPMENT		332		332		332				332
190	POLLUTION CONTROL EQUIPMENT		28,650		28,650		28,650		(3,600)		25,050
191	OTHER CIVIL ENG SUPPORT EQUIPMENT		-		-		-				
	SUPPLY SUPPORT EQUIPMENT										
	SUPPLY SUPPORT EQUIPMENT										
192	FORKLIFT TRUCKS		6,328		6,328		6,328				6,328
193	OTHER MATERIALS HANDLING EQUIPMENT		2,063		2,063		2,063				2,063
194	OTHER SUPPLY SUPPORT EQUIPMENT		-		-		-				-
195	FIRST DESTINATION TRANSPORTATION		3,930		3,930		3,930				3,930
196	SPECIAL PURPOSE SUPPLY SYSTEMS		44,207		44,207		44,207				44,207
	PERSONNEL AND COMMAND SUPPORT EQUIPMENT										
	TRAINING DEVICES										
197	TRAINING SUPPORT EQUIPMENT		2,065		2,065		2,065				2,065
198	TRAINING DEVICE MODIFICATIONS		-		-		-				-
	COMMAND SUPPORT EQUIPMENT										
199	COMMAND SUPPORT EQUIPMENT		15,915		15,915		15,915				15,915
200	EDUCATION SUPPORT EQUIPMENT		-		-		-				-
	PORT SECURITY UNIT EQUIPTMENT		-		-		-				-
201	MEDICAL SUPPORT EQUIPMENT		-		-		-				-
202	INTELLIGENCE SUPPORT EQUIPMENT		22,449		22,749		22,449				22,449
203	OPERATING FORCES SUPPORT EQUIPMENT		4,743		4,743		4,743				4,743
204	NAVAL RESERVE SUPPORT EQUIPMENT		-		-		-				-
205	ENVIRONMENTAL SUPPORT EQUIPMENT		15,678		15,678		21,678		6,000		21,678
206	PHYSICAL SECURITY EQUIPMENT		-		-		-				-
207	INDUSTRIAL DEPOT MAINTENANCE EQUIP		-		-		-				-
	OTHER										-
208	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-				-
209	CANCELLED ACCOUNT ADJUSTMENT (88)		-		-		-				-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										

TITLE I - PROCUREMENT

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
210	SPARES AND REPAIR PARTS		248,717		248,717		228,717		(20,000)		228,717
211	ADVISORY AND ASSISTANCE SERVICES				(18,288)				(3,838)		(3,838)
	ECONOMIC ASSUMPTION								(19,000)		(19,000)
	TOTAL OTHER PROCUREMENT, NAVY		2,825,500		3,073,432		3,137,700		145,367		2,970,867

AN/WSN–7 inertial navigation system

The budget request included $31.6 million for navigation equipment, including $12.3 million for the procurement of nine AN/WSN–7 ring laser gyros (RLGs).

The House bill and the Senate amendment would authorize an increase of $18.0 million for procurement and installation of 18 additional WSN–7 RLGs.

The conferees agree to authorize an increase of $10.5 million for procurement and installation of additional WSN–7 RLGs.

Self-contained breathing apparatus

The budget request included $14.1 million for fire fighting equipment, but did not include funding for procurement of oxygen breathing apparatuses used for shipboard firefighting.

The House bill would authorize an increase of $23.0 million to begin outfitting the fleet with self-contained breathing apparatuses (SCBAs), a non-developmental, commercial off-the-shelf more user-friendly and efficient shipboard firefighting system to replace the antiquated oxygen-breathing apparatus (OBA).

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million for procurement of SCBAs.

Pollution control equipment

The budget request included $156.8 million for pollution control equipment.

The House bill would authorize a decrease of $6.3 million because an equivalent amount of excess fiscal year 1997 funds is available to meet fiscal year 1998 program requirements.

The Senate amendment would authorize a decrease of $8.8 million due to reduced requirements resulting from ship deactivations.

The conferees agree to authorize $135.8 million, a decrease of $21.0 million, for pollution control equipment.

AN/BPS–16 submarine navigation radar

The budget request included no funds for the procurement of AN/BPS–16 or AN/BPS–15H submarine navigation radar.

The House bill would authorize $9.0 million for the AN/BPS–16 submarine navigation radar to initiate the backfit of the radar on the Trident submarine fleet.

The Senate amendment would authorize $9.0 million for the procurement of additional AN/BPS–15H radar sets for installation into Trident class submarines and for use as training and refit facility assets.

The conferees agree to authorize $9.0 million for AN/BPS–15H radar navigation sets.

Cooperative engagement capability

The budget request included no funds for procurement of cooperative engagement capability (CEC) equipment.

The House bill would authorize $114.8 million to restore the Navy's CEC fielding plan by procuring and installing CEC shipsets for two aircraft carrier battle groups.

The Senate amendment would authorize $74.8 million to procure and install CEC battle group equipment.

The conferees agree to authorize an increase of $75.0 million for procurement and installation of CEC battle group equipment.

Information Technology–21

The budget request included no funds for Information Technology–21 (IT–21).

The Senate amendment would authorize an increase of $157.2 million for IT–21. Of this amount $147.9 would be for procurement and installation of IT–21 related equipment and $9.3 million would be for related operations and maintenance funding. These funds would provide an initial impetus to the IT–21 initiative and assist the Navy to achieve its goal of a fully outfitted fleet by the year 2000.

The House bill would authorize the budget request.

The conferees agree to authorize a total IT–21 procurement increase of $58.0 million as follows:

(1) JMCIS Afloat $6.0 million;

(2) Naval Tactical Command Support System $31.0 million;

(3) Ship Communications Automation $4.0 million;

(4) SATCOM Ship Terminals (Space) $2.0 million;

(5) Naval Shore Communications $12.0 million; and

(6) Information Systems Security Program $3.0 million

Sonobuoy procurement

The Budget request included $54.8 million for the procurement of AN/SSQ–36, AN/SSQ–53E, and AN/SSQ–62E sonobuoys and Signal, Underwater Sound (SUS) Systems. The budget request included no funds for the AN/SSQ–57 or the AN/SSQ–110 sonobuoys.

The House bill would authorize an increase of $45.8 million to be distributed as follows: $1.5 million for AN/SSQ–36; $23.7 million for AN/SSQ–53; $4.5 million for AN/SSQ–57 retrofits; $8.6 million for SSQ–62; $5.0 million for AN/SSQ–110 shallow-water upgrades; and $2.5 million for Signal, Underwater Sound (SUS).

The Senate amendment would authorize increases of $19.0 million for AN/SSQ–53E and $7.0 million for AN/SSQ–62E sonobuoys.

The conferees agree to authorize the following increases to the budget request: $0.3 million for AN/SSQ–36; $19.0 million for AN/SSQ–53; $7.0 million for SSQ–62; and $0.5 million for AN/SSQ–57.

Mobile remote emitter simulator

The budget request included $4.9 million for weapons range support, but did not include any funding to procure Mobile Remote Emitter Simulator (MRES) system.

The House bill would authorize an increase of $9.5 million to procure two MRES systems for the Atlantic test range component of the Naval Air Warfare Center.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $6.0 million for MRES.

NATO sea sparrow missile system low light level television

The budget request included no funds for the NATO Sea Sparrow missile system low light level television (LLTV) charged coupled device (CCD) ordnance alternation (ORDALT).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $8.0 million above the budget request for the procurement of additional CCD ORDALT kits.

The conferees agree to an increase of $6.0 million for the procurement of additional CCD ORDALT kits.

AEGIS support equipment

The budget request included $26.8 million for AEGIS support equipment.

The House bill would authorize an increase of $8.0 million to backfit the computer-aided submode training lesson authorizing system (CLASS) on AEGIS cruisers and destroyers and to expand CLASS to other systems such as cooperative engagement capability, joint maritime command information system, and global command and control system.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a $21.1 million for AEGIS support equipment.

Overview

The budget request for fiscal year 1998 contained an authorization of $374.3 million of Marine Corps Procurement, Navy in the Department of Defense. The House bill would authorize $442.8 million. The Senate amendment would authorize $554.8 million. The conferees recommended an authorization of $460.1 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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	PROCUREMENT, MARINE CORPS										
	WEAPONS AND COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
1	AAV7A1 PIP		13,520		13,520		13,520				13,520
2	LAV PIP		600		600		600				600
3	LIGHT ARMORED VEHICLE		6,727		6,727		6,727				6,727
4	MODIFICATION KITS (TRKD VEH)		4,483		4,483		4,483				4,483
5	ITEMS UNDER $2M (TRKD VEH)		99		99		99				99
	ARTILLERY AND OTHER WEAPONS										
6	MOD KITS (ARTILLERY)		1,787		1,787		1,787				1,787
7	ITEMS UNDER $2M (ALL OTHER)		810		810		810				810
8	MARINE ENHANCEMENT PROGRAM		1,513		1,513		1,513				1,513
	WEAPONS										
9	155MM LIGHTWEIGHT TOWED HOWITZER		-		-		-				-
	GUIDED MISSILES AND EQUIPMENT										
	GUIDED MISSILES										
10	HAWK MOD		3,475		3,475		3,475				3,475
11	JAVELIN (MYP)	194	44,146	380	61,146	380	61,146	186	17,000	380	61,146
11	LESS: ADVANCE PROCUREMENT (PY)		(2,000)		(2,000)		(2,000)				(2,000)
12	ADVANCE PROCUREMENT (CY)		-		-		-				-
13	PEDESTAL MOUNTED STINGER (PMS) (MYP)		217		217		217				217
14	PREDATOR (SRAW)		-		-		-				
	OTHER SUPPORT										
15	MODIFICATION KITS		842		842		842				842
16	ITEMS LESS THAN $2 MILLION		-		-		-				-
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	MANPACK RADIOS										
17	MANPACK RADIOS AND EQUIP		-		-		-				-
	TELEPHONE AND TELETYPE EQUIPMENT										
18	JOINT TACT INFO DIST SYS (CL I)		-		-		-				-
	REPAIR AND TEST EQUIPMENT										
19	AUTO TEST EQUIP SYS		12,121		12,121		12,121				12,121
20	GENERAL PURPOSE ELECTRONIC TEST EQUIP.		9,142		9,142		9,142				9,142
	OTHER COMM/ELEC EQUIPMENT										
21	SINGLE CHAN GRD & AIR RADIO		-		-		-				-
	OTHER SUPPORT (TEL)										
22	MODIFICATION KITS (TEL)		-		-		-				-
23	ITEMS LESS THAN $2M (TEL)		-		-		-				-

TITLE I - PROCUREMENT

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	COMMAND AND CONTROL SYSTEM (NON-TEL)										
24	TACTICAL AIR OPER MODULE (TAOM)		-		-		-				-
25	ADVANCED TACT AIR COMMAND CENTER		-		-		-				-
26	MULTI-SERV ADF FIELD ART TACTICAL DATA SYS		-		-		-				-
27	TACTICAL COMBAT OPERATIONS SYS		-		-		-				-
	INTELL/COMM EQUIPMENT (NON-TEL)										
28	AN/TPQ-36 FIRE FINDER RADAR UPGRADE		172		172		172				172
29	INTELLIGENCE SUPPORT EQUIPMENT		16,413		17,205		16,413		792		17,205
30	MOD KITS (INTEL)		5,824		5,824		5,824				5,824
31	ITEMS LESS THAN $2M (INTELL)		631		631		631				631
	REPAIR AND TEST EQUIPMENT (NON-TEL)										
32	GENERAL PRUPOSE MECHANICAL TMDE		2,179		2,179		2,179				2,179
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)										
33	NIGHT VISION EQUIPMENT		-		-		7,000		7,000		7,000
34	ADP EQUIPMENT		-		-		-				-
	OTHER SUPPORT (NON-TEL)										
35	COMMAND POST SYSTEMS		13,923		13,923		13,923				13,923
36	MANEUVER C2 SYSTEMS		15,690		15,690		15,690				15,690
37	RADIO SYSTEMS		16,907		16,907		16,907				16,907
38	COMM SWITCHING & CONTROL SYSTEMS		44,741		44,741		44,741				44,741
39	COMM & ELEC INFRASTRUCTURE SUPPORT		41,809		84,409		66,609		24,800		66,609
40	MOD KITS MAGTF C41		22,974		22,974		23,374				22,974
41	ITEMS < $2M MAGTF C41		371		371		371				371
42	MODIFICATION KITS (OTHER)		1,734		1,734		1,734				1,734
43	ITEMS < $2M (OTHER)		3,018		3,018		3,018				3,018
44	AIR OPERATIONS C2 SYSTEMS		9,371		9,371		9,371				9,371
45	MARINE ENHANCEMENT PROGRAM		-		-		-				-
46	MODIFICATION KITS (NONTEL)		-		-		-				-
47	ITEMS LESS THAN $2M (NONTEL)		-		-		-				-
	SUPPORT VEHICLES										
	ADMINISTRATIVE VEHICLES										
48	COMMERCIAL PASSENGER VEHICLES	40	1,276	40	1,276	40	1,276			40	1,276
49	COMMERCIAL CARGO VEHICLES		6,946		6,946		6,946				6,946
	TACTICAL VEHICLES										
50	5/4T TRUCK HMMWV (MYP)		696		696		55,696		30,000		30,696
51	MEDIUM TACTICAL VEHICLE REPLACEMENT		-		-		-				-
52	LOGISTICS VEHICLE SYSTEM REP		-		-		-				-
53	TRAILERS		-		-		-				-

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	OTHER SUPPORT										
54	MODIFICATION KITS		-		-		6,200				-
55	ITEMS LESS THAN $2 MIL		594		594		594				594
	ENGINEER AND OTHER EQUIPMENT										
	ENGINEER AND OTHER EQUIPMENT										
56	ENVIRONMENTAL CONTROL EQUIP ASSORT		1,968		1,968		1,968				1,968
57	BULK LIQUID EQUIPMENT		7,913		7,913		7,913				7,913
58	ADVANCED DEMOLITION KITS		-		-		-				-
59	POWER EQUIPMENT ASSORTED		3,627		3,627		25,727				3,627
60	SHOP EQ CONTACT MAINTENANCE (SECM)		-		-		12,200				-
61	CANCELLED ACCOUNT ADJUSTMENT (87)		-		-		-				-
62	CANCELLED ACCOUNT ADJUSTMENTS (88)		-		-		-				-
	MATERIALS HANDLING EQUIPMENT										
63	COMMAND SUPPORT EQUIPMENT		613		613		613				613
64	AMPHIBIOUS RAID EQUIPMENT		-		-		1,600				-
65	PHYSICAL SECURITY EQUIPMENT		1,514		1,514		1,514				1,514
66	GARRISON MOBILE ENGR EQUIP		2,998		2,998		2,998				2,998
67	TELEPHONE SYSTEM		-		-		-				-
68	WAREHOUSE MODERNIZATION		1,584		1,584		1,584				1,584
69	MATERIAL HANDLING EQUIP		5,241		5,241		5,241				5,241
70	FIRST DESTINATION TRANSPORTATION		1,396		1,396		1,396				1,396
	GENERAL PROPERTY										
71	FIELD MEDICAL EQUIPMENT		1,081		1,081		16,081		10,000		11,081
72	TRAINING DEVICES		10,585		10,585		19,785				10,585
73	CONTAINER FAMILY		6,191		6,191		6,191				6,191
	OTHER SUPPORT										
74	MODIFICATION KITS		1,215		1,215		1,215				1,215
75	ITEMS LESS THAN $2 MIL		714		714		10,714				714
75a	ABOVE-GROUND FUEL STORAGE TANKS				2,000						-
76	DRUG INTERDICTION		-		-		-				-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
77	SPARES AND REPAIR PARTS		24,915		24,915		24,915				24,915
78	MARINE ENHANCEMENT PROGRAM				10,000						-
79	ADVISORY AND ASSISTANCE SERVICES				(3,891)				(817)		(817)
	ECONOMIC ASSUMPTIONS								(3,000)		(3,000)
	TOTAL, PROCUREMENT, MARINE CORPS		374,306		442,807		554,806		85,775		460,081

Light tactical wheeled vehicle replacement

The budget request included $0.7 million to support the Marine Corps High Mobility Multipurpose Wheeled Vehicle (HMMWV) program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $55.0 million to accelerate a planned replacement program for a deteriorating HMMWV fleet.

The conferees agree to authorize an increase of $30.0 million.

Chemical/biological incident response force equipment

The budget request included $1.1 million for field medical equipment and no funding for chemical/biological incident response force (CBIRF) equipment.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $15.0 million for procurement of CBIRF equipment.

The conferees agree to authorize an increase of $10.0 million for CBIRF requirements for a total of $11.1 million for Marine Corps field medical equipment procurement.

MK–19 grenade launcher

The budget request included no funds for the MK–19 grenade launcher.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $13.0 million to maintain production of the MK–19 grenade launchers.

The conferees agree to authorize a total of $8.0 million for the MK–19 grenade launcher.

Overview

The budget request for fiscal year 1998 contained an authorization of $890.9 million for Ammunition Procurement, Army in the Department of Defense. The House bill would authorize $1,093.8 million. The Senate amendment would authorize $1,043.2 million. The conferees recommended an authorization of $1,011.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT OF AMMUNITION, ARMY										
	AMMUNITION										
	SMALL/MEDIUM CAL AMMUNITION										
1	CTG, 5.56MM, ALL TYPES		63,588		65,988		66,088		1,400		64,988
2	CTG 5.56MM ARMOR PIERCING XM995	1,406	1,976	1,406	1,976	1,406	1,976			1,406	1,976
3	CTG, 7.62MM, ALL TYPES		1,136		7,136		1,636		3,000		4,136
4	CTG 7.62MM ARMOR PIERCING XM993	1,013	1,994	1,013	1,994	1,013	1,994			1,013	1,994
5	CTG, 9MM, ALL TYPES		4,229		4,229		4,229				4,229
6	CTG, .45 CAL, ALL TYPES		73		73		73				73
7	CTG, .50 CAL, ALL TYPES		19,977		20,177		20,077		200		20,177
8	CTG CAL .50 API MK211 MOD 0	286	1,994	286	1,994	286	1,994			286	1,994
9	CTG, 20MM, ALL TYPES		-		-		-				-
10	CTG, 25MM, ALL TYPES		88,166		88,166		88,166				88,166
11	CTG, 30MM, ALL TYPES		10,357		10,357		10,357				10,357
12	CTG, 40MM, ALL TYPES		26,203		26,203		26,203				26,203
	MORTAR AMMUNITION										
13	CTG MORTAR 60MM 1/10 PRAC M766		-		-		-				-
14	CTG MORTAR 60MM ILLUM M721/M767		-		-		-				-
15	CTG MORTAR 60MM SMOKE WP M722	23	4,744	23	4,744	23	4,744			23	4,744
16	CTG MORTAR 60MM HE M720		-		-		-				-
17	CTG MORTAR 81MM ILLUM M853A1		-		-		-				-
18	CTG MORTAR 81MM SMOKE RP M819		-		-		-				-
19	CTG MORTAR 81MM PRAC 1/10 RANGE M880		-		-		-				-
20	CTG MORTAR 120MM FULL RANGE PRACTICE M931	59	24,432	59	24,432	59	24,432			59	24,432
21	0CTG MORTAR 120MM HE M934 W/MO FUZE	32	29,908	32	38,908	32	49,908		9,000	32	38,908
22	CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ		-		3,000		-		3,000		3,000
23	CTG MORTAR 120MM SMOKE M929 W/MO FUZE		-		-		-				-
	TANK AMMUNITION										
24	CTG 120MM APFSDS-T M829A2/M829E3	21	72,920	21	72,920	21	72,920			21	72,920
25	CTG 120MM HEAT-MP-T M830A1		-		-		-				-
26	CTG TANK 120MM TP-T M831/M831A1	80	52,226	80	62,026	80	62,026		9,800	80	62,026
27	CTG TANK 120MM TPCSDS-T M865	184	111,653	184	124,453	184	124,353		7,700	184	119,353
	ARTILLERY AMMUNITION										
28	CTG ARTY 75MM BLANK M337A1	70	2,964	70	2,964	70	2,964			70	2,964
29	CTG ARTY 105MM DPICM XM915		-		-		-		10,000		10,000
30	PROJ ARTY 155MM SMOKE WP M825		12,586		12,586		12,586				12,586
31	PROJ ARTY 155MM HE M795		-		50,000		-		36,000		36,000
32	PROJ ARTY 155MM SADARM M898	507	67,909	507	67,909	507	67,909			507	67,909

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
32a	PROJ ARTY 105MM HERA				20,000						-
32b	PROJ ARTY 105MM DPICM				10,000						-
	ARTILLERY FUZES										
33	FUZE MULTI OPTION		-		20,000		20,000		15,000		15,000
33a	FUZE ARTY M767		-		-						-
	MINES										
34	MINE, TRAINING, ALL TYPES		-		-		-				-
35	MINE AT/AP M87 (VOLCANO)		-		12,000		-		12,000		12,000
36	WIDE AREA MUNITIONS	215	15,323	215	15,323	215	15,323			215	15,323
	ROCKETS										
37	BUNKER DEFEATING MUNITION (BDM)		-		10,000		-		8,000		8,000
38	ROCKET, HYDRA 70, ALL TYPES		12,067		49,267		48,267		25,200		37,267
	OTHER AMMUNITION										
39	DEMOLITION MUNITIONS, ALL TYPES		18,766		28,766		18,766				18,766
40	GRENADES, ALL TYPES		14,637		14,637		14,637				14,637
41	SIGNALS, ALL TYPES		7,862		7,862		7,862				7,862
42	SIMULATORS, ALL TYPES		4,573		5,073		15,073				4,573
42a	SELECTABLE LIGHTWEIGHT ATTACK MUNITION				-						-
42b	SIMULATOR ANTI TANK M27				-						-
	MISCELLANEOUS										
43	AMMO COMPONENTS, ALL TYPES		4,823		4,823		4,823				4,823
44	CAD/PAD ALL TYPES		1,087		1,087		1,087				1,087
45	ITEMS LESS THAN $2 MILLION		819		819		819				819
46	AMMUNITION PECULIAR EQUIPMENT		8,627		8,627		8,627				8,627
47	FIRST DESTINATION TRANSPORTATION (AMMO)		6,558		6,558		6,558				6,558
	AMMUNITION PRODUCTION BASE SUPPORT										
	PRODUCTION BASE SUPPORT										
48	PROVISION OF INDUSTRIAL FACILITIES		45,857		45,857		45,857		(21,000)		24,857
49	COMPONENTS FOR PROVE-OUT		-		-		-				-
50	LAYAWAY OF INDUSTRIAL FACILITIES		16,750		16,750		16,750				16,750
51	MAINTENANCE OF INACTIVE FACILITIES		23,000		23,000		23,000				23,000
52	CONVENTIONAL AMMO DEMILITARIZATION		106,118		96,118		106,118		(13,000)		93,118
53	ARMS INITIATIVE		5,000		5,000		45,000		20,000		25,000
	ADVISORY AND ASSISTANCE SERVICES								(9)		(9)
	ECONOMIC ASSUMPTIONS								(6,000)		(6,000)
	TOTAL PROCUREMENT OF AMMUNITION, ARMY		890,902		1,093,802		1,043,202		120,291		1,011,193

Overview

The budget request for fiscal year 1998 contained an authorization of $2,455.0 million for Other Procurement, Army in the Department of Defense. The House bill would authorize $2,640.3 million. The Senate amendment would authorize $2,875.7 million. The conferees recommended an authorization of $2,566.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	OTHER PROCUREMENT, ARMY										
	TACTICAL AND SUPPORT VEHICLES										
	TACTICAL VEHICLES										
1	TACTICAL TRAILERS/DOLLY SETS		8,053		8,053		8,053				8,053
2	SEMITRAILER FB BB/CONT TRANS 22 1/2 T	350	9,361	350	9,361	350	9,361	(307)	(7,361)	43	2,000
3	SEMITRAILER LB 40T M870A1 (CCE)	3	991	3	991	3	991			3	991
4	SEMITRAILER, TANK, 5000G	74	7,581	74	7,581	74	7,581	(50)	(4,581)	24	3,000
5	SEMITRAILER, TANK, 7500G, BULKHAUL	231	10,408	231	10,408	231	10,408	(187)	(7,408)	44	3,000
6	SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	51	4,296	51	4,296	51	4,296			51	4,296
7	HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP)	774	66,233	1,134	104,933	1,889	141,233	965	65,000	1,739	131,233
8	FAMILY OF MEDIUM TACTICAL VEH (MYP)	1,506	209,446	1,506	199,446	1,506	253,446			1,506	209,446
9	FAMILY OF HEAVY TACTICAL VEHICLES (MYP)		9,071	96	54,071		137,071		105,000		114,071
10	ARMORED SECURITY VEHICLES (COMBAT SPT) TACTIC	25	9,470	25	9,470	25	9,470			25	9,470
11	TRUCK, TRACTOR, LINE HAUL, M915/M916	293	36,079	293	18,079	293	36,079	(293)	(36,079)		-
12	TRUCK, TRACTOR, YARD TYPE, M878 (C/S)		-		-		-				-
13	MEDIUM TRUCK EXTENDED SVC PGM(ESP) (PREV SLEP		-		-		-				-
14	HMMWV ESP		-		-		-				-
15	MODIFICATION OF IN SVC EQUIP		3,610		3,610		3,610				3,610
16	ITEMS LESS THAN $2.0M (TAC VEH)		189		189		189				189
	NON-TACTICAL VEHICLES										
17	HEAVY ARMORED SEDAN		-		-		-				-
18	PASSENGER CARRYING VEHICLES		-		-		-				-
19	GENERAL PURPOSE VEHICLES		-		-		-				-
20	SPECIAL PURPOSE VEHICLES		-		-		-				-
	SUPPORT EQUIPMENT AND FACILITIES										
21	SYSTEM FIELDING SUPPORT PEO		1,876		1,876		1,876				1,876
22	PROJECT MANAGEMENT SUPPORT		596		596		596				596
23	SYSTEM FIELDING SUPPORT (TACOM)		934		934		934				934
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	COMM - JOINT COMMUNICATIONS										
24	JCSE EQUIPMENT (USREDCOM)		3,075		3,075		3,075				3,075
	COMM - SATELLITE COMMUNICATIONS										
25	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPAC		87,643		87,643		87,643		(2,000)		85,643
26	SAT TERM, EMUT (SPACE)	207	7,264	207	7,264	207	7,264	(102)	(1,200)	105	6,064
27	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	17	6,796	17	6,796	17	6,796	(3)	(1,200)	14	5,596
28	GROUND COMMAND POST		589		589		589				589
29	SMART-T (SPACE)		22,762		22,762		22,762				22,762
30	SCAMP (SPACE)		4,305		16,605		4,305		12,300		16,605

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
31	0GLOBAL BRDCST SVC - GBS		4,967		4,967		4,967				4,967
32	MOD OF IN-SVC EQUIP (TAC SAT)		2,021		2,021		2,021				2,021
	COMM - COMBAT SUPPORT COMM										
33	MSE MOD IN SERVICE		-		-		-				-
	COMM - C3 SYSTEM										
34	COMMAND CENTER IMPROVEMENT PROG (CCIP)		-		-		-				-
35	SOUTHCOM HQ RELOCATION		-		-		-				-
36	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		17,315		17,315		17,315				17,315
	COMM - COMBAT COMMUNICATIONS										
37	ARMY DATA DISTRIBUTION SYSTEM (ADDS)		57,165		94,565		94,465		10,300		67,465
38	MOBILE SUBSCRIBER EQUIP (MSE)		-		-		-				-
39	SINCGARS FAMILY		290,164		290,164		290,164				290,164
40	JOINT TACTICAL AREA COMMS SYS		10,684		10,684		10,684				10,684
41	ACUS MOD PROGRAM (WIN-T/T)		82,391		92,391		115,391		23,000		105,391
42	TAC RADIO		-		-		-				-
43	C-E CONTINGENCY/FIELDING EQUIP		2,023		2,023		2,023				2,023
44	SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS		1,003		1,003		1,003				1,003
45	COMBAT SURVIVOR EVADER LOCATOR (CSEL)		5,677		5,677		5,677				5,677
46	MEDICAL COMMUNICATIONS FOR CBT CASUALTY CARE		-		-		-				-
	COMM - INTELLIGENCE COMM										
47	JWICS CONNECTIVITY		-		-		-				-
48	CI AUTOMATION ARCHITECTURE		2,297		2,297		2,297				2,297
49	CI CONUS BASED LAN		-		-		-				-
	INFORMATION SECUTITY										
50	TSEC - ARMY KEY MGT SYS (AKMS)		4,714		4,714		4,714				4,714
51	INFORMATION SYSTEM SECURITY PROGRAM - ISSP		10,208		10,208		15,708		3,500		13,708
	COMM - LONG HAUL COMMUNICATIONS										
52	TERRESTRIAL TRANSMISSION		20,811		20,811		20,811				20,811
53	BASE SUPPORT COMMUNICATIONS		1,053		1,053		1,053				1,053
54	ARMY DISN ROUTER		2,991		2,991		2,991				2,991
55	ELECTROMAG COMP PROG (EMCP)		469		469		469				469
56	WW TECH CON IMP PROG (WWTCIP)		944		944		944				944
	COMM - BASE COMMUNICATIONS										
57	INFORMATION SYSTEMS		20,498		20,498		20,498				20,498
58	DEFENSE MESSAGE SYSTEM (DMS)		7,962		7,962		7,962				7,962
59	LOCAL AREA NETWORK (LAN)		17,576		17,576		17,576				17,576
60	PENTAGON INFORMATION MGT AND TELECOM		28,249		28,249		28,249				28,249
	ELECT EQUIP - NAT FOR INT PROG (NFIP)										

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
61	FOREIGN COUNTERINTELLIGENCE PROG (FCI)		3,897		3,897		3,897				3,897
62	GENERAL DEFENSE INTELL PROG (GDIP)		18,856		20,256		18,856		500		19,356
63	ITEMS LESS THAN $2.0M (INTEL SPT) - TIARA		-		2,800		-		2,800		2,800
	ELECT EQUIP - TACT INT REL ACT (TIARA)										
64	ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)		7,772		16,772		7,772		9,000		16,772
65	JTT/CIBS-M (TIARA)	56	11,438	56	11,438	56	11,438			56	11,438
66	IEW - GND BASE COMMON SENSORS (TIARA)		26,817		26,817		26,817		(26,817)		-
67	JOINT STARS (ARMY) (TIARA)		118,873		118,873		118,873				118,873
68	NATO-AGS		26,153		26,153		26,153				26,153
69	INTEGRATED BROADCAST TERMINAL MODS (TIARA)		3,294		3,294		3,294				3,294
70	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	4	7,465	4	7,465	4	7,465			4	7,465
71	DRUG INTERDICTION PROGRAM (DIP) (TIARA)		-		-		-				-
72	TACTICAL EXPLOITATION OF NATIONAL CAPABILITIE		1,679		1,679		1,679				1,679
73	JOINT TACTICAL GROUND STATION		-		-		-				-
74	JOINT TACTICAL GROUND STATION MODS		2,913		2,913		2,913				2,913
75	TROJAN (TIARA)		3,828		3,828		3,828				3,828
76	MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)		1,676		1,676		1,676				1,676
77	ITEMS LESS THAN $2.0M (TIARA)		526		526		526				526
	ELECT EQUIP - ELECTRONIC WARFARE (EW)										
78	SHORTSTOP		-		9,000		-		6,000		6,000
79	COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES		2,325		2,325		2,325				2,325
	ELECT EQUIP - TACTICAL SURV. (TAC SURV)										
80	SENTINEL	12	41,014	26	61,314	12	61,214		20,200	12	61,214
81	NIGHT VISION DEVICES		85,312		116,112		121,312		26,400		111,712
82	ARTILLERY ACCURACY EQUIP		4,548		4,548		4,548				4,548
83	MOD OF IN-SVC EQUIP (TAC SURV)		1,223		9,223		1,223				1,223
84	COMPUTER BALLISTICS: MORTAR XM-23		-		6,900		-				-
85	INTEGRATED MET SYS SENSORS (IMETS) - TIARA	2	1,379	2	1,379	2	1,379			2	1,379
86	SHF TERM		14,328		14,328		14,328				14,328
	ELECT EQUIP - TACTICAL C2 SYSTEMS										
87	ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	253	33,245	253	33,245	253	33,245			253	33,245
88	FIRE SUPPORT ADA CONVERSION		3,306		3,306		3,306				3,306
89	CMBT SVC SUPT CONTROL SYS (CSSCS)	50	5,759	50	5,759	50	5,759			50	5,759
90	FAAD C2	3	13,080	3	23,080	3	13,080			3	13,080
91	FORWARD ENTRY DEVICE (FED)		2,382		18,682		2,382				2,382
92	LIFE CYCLE SOFTWARE SUPPORT (LCSS)		1,978		1,978		1,978				1,978
93	LOGTECH		3,358		15,058		3,358		10,000		13,358
94	TC AIMS II		2,197		2,197		2,197				2,197

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
95	ISYSCON EQUIPMENT		10,645		10,645		10,645				10,645
96	MANEUVER CONTROL SYSTEM (MCS)	145	15,699	145	15,699	145	15,699	(145)	(15,699)		-
97	STAMIS TACTICAL COMPUTERS (STACOMP)	1,615	36,124	1,615	36,124	1,615	69,124			1,615	36,124
98	STANDARD INTEGRATED CMD POST SYSTEM		26,551		26,551		26,551				26,551
	ELECT EQUIP - AUTOMATION										
99	ARMY TRAINING XX1 MODERNIZATION		25,238		25,238		25,238				25,238
100	AUTOMATED DATA PROCESSING EQUIP		125,099		138,099		125,099		7,000		132,099
101	RESERVE COMPONENT AUTOMATION SYS (RCAS)		114,323		90,323		84,323				114,323
	ELECT EQUIP - AUDIO VISUAL SYS (A/V)										
102	AFRTS		459		459		459				459
103	ITEMS LESS THAN $2.0M (A/V)		2,624		2,624		2,624				2,624
	ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)										
104	CALIBRATION SETS EQUIPMENT		-		-		-				-
105	INTEGRATED FAMILY OF TEST EQUIP (IFTE)		-		-		-				-
106	TMDE MODERNIZATION (TMOD)		-		-		-				
	ELECT EQUIP - SUPPORT										
107	INSTALLATION C4 UPGRADE (ICU)		-		-		-				-
108	PRODUCTION BASE SUPPORT (C-E)		418		418		418				418
	OTHER SUPPORT EQUIPMENT										
	CHEMICAL DEFENSIVE EQUIPMENT										
109	GEN SMK MECH:MTRZD DUAL PURP M56	70	12,560	70	12,560	70	12,560			70	12,560
110	GENERATOR, SMOKE, MECH M58	34	9,159	34	9,159	34	9,159			34	9,159
111	GEN SET, SMOKE, MECH: PUL JET, M157 SERIES		-		-	-	-				-
112	LT VEH OBSCURANT SMK SYS	486	2,164	486	2,164	486	2,164			486	2,164
	BRIDGING EQUIPMENT										
113	RIBBON BRIDGE		4,200		4,200		4,200				4,200
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT										
114	DISPENSER, MINE M139		-		-		-				-
115	METALLIC MINE DETECTOR, VEHICLE MOUNTED	10	12,574	10	12,574	10	12,574			10	12,574
116	BN COUNTERMINE SIP		3,357		3,357		3,357				3,357
	COMBAT SERVICE SUPPORT EQUIPMENT										
117	AIR CONDITIONERS VARIOUS SIZE/CAPACITY		1,468		1,468		1,468				1,468
118	KITCHEN, CONTAINERIZED, FIELD		-		-		-				-
119	SANITATION CENTER, FIELD FEEDING		-		-		-				-
120	TRUCK, FIREFIGHTING, MULTI-PURPOSE		-		-		-				-
121	ARMY SPACE HEATER, 120,000 BTU (ASH)	94	930	94	930	94	930			94	930
122	LAUNDRY ADVANCED SYSTEM (LADS)		-		-		-				-
123	CONTAINERIZED SELF SERVICE LAUNDRY		-		-		-				-

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
124	FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS		-		-		-				-
125	SOLDIER ENHANCEMENT		1,709		1,709		1,709				1,709
126	LAND WARRIOR		-		-		-				-
127	FORCE PROVIDER	2	11,633	2	11,633	2	11,633			2	11,633
128	REFRIGERATION EQUIPMENT		-		-		-				-
129	ITEMS LESS THAN $2.0M (CSS-EQ)		2,020		2,020		2,020				2,020
	PETROLEUM EQUIPMENT										
130	TANK ASSEMBLY FAB COLL POL 50000 G		-		-		-				-
131	FORWARD AREA REFUELING EQUIPMENT (FARE)		-		-		-				-
132	GROUND FUEL PETROLEUM TESTING KIT		-		-		-				-
133	TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G	116	949	116	949	116	949			116	949
134	TANK ASSY, FAB COLLAPS, 20,000 GAL POL		-		-		-				-
135	TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING		-		-		-				-
136	TANK UNIT TRLR MTD 600 GAL		-		-		-				-
137	3000 GAL FABRIC TANK		-		-		-				-
138	AVIATION FUEL TESTING KIT		-		-		-				-
139	FILTER SEPARATOR, 350 GPM		-		-		-				-
140	LAB PETROLEUM MODULAR BASE		-		-		-				-
141	FUEL SYSTEM SUPPLY POINT, 60000 GALLON		-		-		-				-
142	PUMP ASSY, REGULATED, 350 GPM		-		-		-				-
143	50 GPM PUMP, AUXILLARY UTILITY		-		-		-				-
144	PUMP ASSY, UNREGULATED, 350 GPM		-		-		-				-
145	HOSELINE OUTFIT FUEL HANDLING		-		-		-				-
146	INLAND PETROLEUM DISTRIBUTION SYSTEM		1,037		1,037		1,037				1,037
147	FORWARD AREA REFUELING SYS ADV AVIATION		-		-		-				-
148	HEMTT AVIATION REFUELING SYSTEM		-		-		-				-
149	ITEMS LESS THAN $2.0M (POL)		6,275		6,275		6,275				6,275
	WATER EQUIPMENT										
150	WATER PURIF UNIT REV OS 3000 GPH		-		-		-				-
151	FWD AREA WTR POINT SUP SYSTEM		-		-		-				-
152	SMALL MOBILE WATER CHILLER (SMWC)		-		-		-				-
153	ITEMS LESS THAN $2.0M (WATER EQ)		2,862		2,862		2,862				2,862
	MEDICAL EQUIPMENT										
154	COMBAT SUPPORT MEDICAL		11,808		11,808		11,808				11,808
	MAINTENANCE EQUIPMENT										
155	SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	28	1,635	28	1,635	28	1,635			28	1,635
156	WELDING SHOP, TRAILER MTD		-		-		-				-
157	ITEMS LESS THAN $2.0M (MAINT EQ)		1,167		1,167		1,167				1,167

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	CONSTRUCTION EQUIPMENT										
158	DIST, BITUM MATATERIAL 1500G TRK MTD (CC		-		-		-				-
159	ROLLER, VIBRATORY, SELF-PROPELLED (CCE)	90	6,072	90	6,072	90	6,072			90	6,072
160	HYDRAULIC EXCAVATOR	11	2,825	11	2,825	11	2,825			11	2,825
161	DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	8,885	23	8,885	23	8,885			23	8,885
162	TRUCK, DUMP, 20T (CCE)		-		-		39,000				-
163	TRUCK, CONCRETE, 8 CU YD (CCE)		-		-		-				-
164	CRUSHING/SCREENING PLANT, 150 TPH		-		-		-				-
165	CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	22	6,055	22	6,055	22	6,055			22	6,055
166	ITEMS LESS THAN $2.0M (CONST EQUIP)		845		845		845				845
	RAIL FLOAT CONTAINERIZATION EQUIPMENT										
167	PUSHER TUG, SMALL	2	6,755	2	6,755	2	6,755			2	6,755
168	FLOATING CRANE, 100-250 TON	1	14,073	1	14,073	1	14,073			1	14,073
169	CONTAINERIZED MAINTENANCE FACILITY		-		-		-				-
170	CAUSEWAY SYSTEMS		-		-		-				-
171	RAILWAY CAR, FLAT, 100 TON	165	17,755	165	17,755	165	17,755	(165)	(17,755)		-
172	ITEMS LESS THAN $2.0M (FLOAT/RAIL)		9,165		9,165		9,165				9,165
	GENERATORS										
173	GENERATORS AND ASSOCIATED EQUIP		7,706		7,706		38,706				7,706
174	TRUCK, FORK LIFT, DE, PT, RT, 50000 LB		-		-		-				-
175	ALL TERRAIN LIFTING ARTICULATING SYSTEM	34	3,554	34	3,554	34	3,554			34	3,554
176	ROUGH TERRAIN CONTAINER CRANE		-		-		-				-
177	ITEMS LESS THAN $2.0M (MHE)		1,724		1,724		1,724				1,724
	TRAINING EQUIPMENT										
178	COMBAT TRAINING CENTERS SUPPORT		26,724		26,724		26,724				26,724
179	TRAINING DEVICES, NONSYSTEM		49,668		53,668		49,668		4,000		53,668
180	SIMNET/CLOSE COMBAT TACTICAL TRAINER		92,968		81,468		71,468		(38,368)		54,600
181	FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER		19,860		19,860		19,860				19,860
	TEST MEASURE AND DIG EQUIPMENT (TMD)										
182	CALIBRATION SETS EQUIPMENT		6,572		6,572		6,572				6,572
183	INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)		14,828		14,828		14,828				14,828
184	TMDE MODERNIZATION (TMOD)		6,572		6,572		6,572				6,572
	OTHER SUPPORT EQUIPMENT										
185	RECONFIGURABLE SIMULATORS		13,823		13,823		13,823				13,823
186	PHYSICAL SECURITY SYSTEMS (OPA3)		6,472		6,472		6,472				6,472
187	SYSTEM FIELDING SUPPORT (OPA-3)		4,941		4,941		4,941				4,941
188	BASE LEVEL COM'L EQUIPMENT		4,283		4,283		4,283				4,283
189	SHED PROFILOMETER		2,988		2,988		2,988				2,988

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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
190	ELECTRONIC REPAIR SHELTER	3	5,678	3	5,678	3	5,678			3	5,678
191	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		16,659		16,659		16,659				16,659
192	PRODUCTION BASE SUPPORT (OTH)		2,241		2,241		2,241				2,241
193	DEPOT MAINTENANCE OF OTHER END ITEMS		24,819		-		24,819		(24,819)		-
194	SPECIAL EQUIPMENT FOR USER TESTING		14,922		14,922		35,122				14,922
195	TRACTOR VAPOR		4,243		4,243		4,243				4,243
196	CLOSED ACCOUNT ADJUSTMENTS		-		-		-				-
	SPARE AND REPAIR PARTS										
	OPA1										
197	INITIAL SPARES - TSV		101		101		101				101
	OPA2										
198	INITIAL SPARES - C&E		53,284		53,284		53,284				53,284
	OPA3										
199	INITIAL SPARES - OTHER SUPPORT EQUIP		852		852		852				852
200	ADVISORY AND ASSISTANCE SERVICES				(13,034)		(30,000)		(2,735)		(2,735)
	GUN LAYING POSITIONING SYSTEM		-		-				6,000		6,000
	RADIO FREQUENCY TECHNOLOGY		-		-		-		1,200		1,200
	LIGHTWEIGHT LASER DESIGNATOR/RANGFE FINDER		-		-		-				-
	COMBAT SYNTHETIC TRAINING ASSESMENT RANGE		-		-		-				-
	ARMY AIRBORNE COMAND & CONTROL SYSTEM		-		-		-				-
	AVENGER SLEW TO CLUE		-		-		-				-
	PALLETIZED LOADING SYSTEM ENHANCED		-		-		-		3,000		3,000
	ECONOMIC ASSUMPTIONS								(18,000)		(18,000)
	TOTAL OTHER PROCUREMENT, ARMY		2,455,030		2,640,277		2,875,730		111,178		2,566,208

Semitrailers

The budget request included funds for a variety of semitrailer requirements.

The conferees note program delays for several semitrailer procurements. In consideration of these delays, the conferees agree to funding reductions of $7.4 million for 22.5 ton semitrailer/container transporters; $4.6 million for 5,000 gallon tank semitrailers; and $7.4 million for 7,500 gallon bulkhaul semitrailers. In addition, the conferees agree to authorize $2.0 million for 22.5 ton semitrailer/container transporters; $3.0 million for 5,000 gallon tank semitrailers; and $3.0 million for 7,500 gallon bulkhaul semitrailers.

High mobility multi-purpose wheeled vehicle

The budget request included $66.2 million for High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) production.

The House bill would authorize an increase of $38.7 million for 360 up-armored HMMWVs.

The Senate amendment would authorize an increase of $75.0 million to maintain minimum production levels of HMMWVs.

The conferees agree to authorize an increase of $65.0 million for HMMWV production.

Family of heavy tactical vehicles

The budget request included $9.1 million for Family of Heavy Tactical Vehicles (FHTV) production support.

The House bill would authorize an increase of $45.0 million to procure 96 Heavy Equipment Transporters (HETS) for the Army National Guard.

The Senate amendment would authorize an increase of $128.0 million to maintain minimum production levels of FHTVs. This funding would include $50.0 million for the Palletized Load System (PLS); $45.0 million for HETS; and $33.0 million for Heavy Expanded Mobility Tactical Truck (HEMTT) wreckers.

The conferees agree to authorize an increase of $105.0 million for FHTV. Of this amount, $45.0 million is for HETS and the remaining $60.0 million is for HEMTT wreckers and PLS.

Truck, tractor, line haul, M915/M916

The budget request included $36.1 million to procure M915/916 line haul tractors.

The House bill would reduce the request by $18.0 million to achieve a more moderate rate of production.

The Senate amendment would authorize the budget request.

The conferees understand that there has been a delay in the 7,500 gallon bulkhaul semitrailer program, which is the type of trailer towed by the M915/916 line haul tractor series. Accordingly the conferees believe that revised Army requirements can be met at lower average procurement rates than previously planned and therefore agree to eliminate funding for these tractors in fiscal year 1998. Further, the Secretary of the Army is directed to review requirements for this equipment and restructure the program to achieve an annual procurement rate consistent with revised requirements beginning in fiscal year 1999.

Defense satellite communications system

The budget request included $87.6 million for defense satellite communications system requirements.

The House bill and Senate amendment would authorize the budget request.

The conferees note the budget request included funding for acceleration of the production of a universal modem system. The conferees understand that required testing for this system will not be complete until late 1999. Therefore, the conferees agree to reduce program funding by $2.0 million.

Satellite terminals

The budget request included $7.3 million for satellite communication terminals.

The House bill and Senate amendment would authorize the budget request.

The conferees note the savings achieved from a joint Army/Air Force procurement in 1997. The conferees believe that these savings should be used to offset funding requirements for fiscal year 1998. Therefore, the conferees agree to reduce program funding by $1.2 million.

NAVSTAR global positioning system

The budget request included $6.8 million for NAVSTAR Global Positioning System (GPS) equipment.

The House bill and Senate amendment would authorize the budget request.

The conferees have been informed that both price and quantities budgeted for NAVSTAR GPS equipment were reduced in 1997. Additionally, the conferees understand that program management reductions have also yielded savings. The conferees believe these savings should be used to offset funding requirements for fiscal year 1998. Therefore, the conferees agree to reduce funding for this program by $1.2 million.

Army data distribution system

The budget request included $57.2 million to procure data distribution systems, including $7.0 million for joint tactical information distribution system (JTIDS) terminals.

The House bill would authorize an increase of $37.4 million to procure an additional 1,092 enhanced position location reporting system (EPLRS) radios.

The Senate amendment would authorize an increase of $37.3 million for 1,092 EPLRS radios.

The conferees agree to authorize an increase of $30.4 million for EPLRS radios and transfer $20.1 million for JTIDS terminals to ballistic missile defense procurement.

The conferees agree to authorize $67.5 million for critical data distribution systems.

Area common user system modernization program

The budget request included $82.4 million for Area Common User System (ACUS) modernization.

The House bill would authorize an increase of $10.0 million to procure tactical communications technologies for evaluation by Force XXI experimental forces.

The Senate amendment would authorize an increase of $33.0 million to support ongoing modifications to the ACUS and support migration to the Army's Warfighter Information Network.

The conferees agree to authorize an increase of $23.0 million for ACUS.

Information system security program

The budget request included $10.2 million to procure information system security devices.

The House bill would support the budget request.

The Senate amendment would authorize an increase of $5.5 million to support minimum production requirements for 400 Airterm KY–100 devices.

The conferees agree to authorize an increase of $3.5 million for Airterm KY–100 devices.

Ground based common sensors

The budget request included $26.8 million for ground based common sensors.

The House bill and Senate amendment would authorize the budget request.

The conferees agree to eliminate funding in fiscal year 1998 based on the Army decision to reschedule the initial operational test and evaluation for this program.

Shortstop

The budget request included no funds for the Shortstop electronic protection system (SEPS).

The House bill would authorize an increase of $9.0 million to procure 42 additional SEPS needed in Korea.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $6.0 million for SEPS devices needed by U.S. forces in Korea.

Night vision

The budget request included $85.3 million for night vision systems.

The House bill would authorize an increase of $30.8 million that would be used to procure additional systems: $17.0 million for AN/PVS–7 night vision goggle systems; $5.4 million for ANVIS 25mm image intensifiers; and $8.4 million for night vision driver viewers for the M113A3.

The Senate amendment would authorize an increase of $36.0 million that would be used to procure additional night vision systems: $8.0 million for AN/PEQ–2 aiming light systems; $17.0 million for AN/PVS–7 night vision goggle systems; $10.0 million for AN/PAS–13 thermal weapon sight systems; and $1.0 million for 2,900 borelights.

The conferees agree to authorize an increase of $26.4 million for night vision equipment: $11.0 million for AN/PVS–7 systems; $5.5 million for AN/PEQ–2 aiming light systems; $6.9 million for AN/PAS–13 thermal weapon sights; $2.0 million for light weight video systems; and $1.0 million for borelights.

LOGTECH

The budget request included $3.4 million for LOGTECH systems.

The House bill would authorize an increase of $11.7 million to procure additional radio frequency (RF) tagging systems.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million for additional RF tagging equipment.

Maneuver control system

The budget request included $15.7 million for the maneuver control system (MCS).

The House bill and Senate amendment would authorize the budget request.

The conferees note a history of significant problems with the Army's efforts to develop the software requirements for this program and corresponding delays in scheduled operational testing. The conferees also note that this system failed two of four development testing activities. Until MCS meets all the established system requirements and the Army validates corrective actions through requisite testing, the conferees agree to eliminate further funding for this program.

Automated data processing equipment

The budget request included $125.1 million for Automated Data Processing Equipment (ADPE).

The House bill would authorize an increase of $13.0 million to procure additional Sustaining Base Information Services (SBIS) hardware.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $7.0 million of SBIS hardware.

Railway car, flat, 100 ton

The budget request included $17.8 million for procurement of 100 ton railway cars.

The House bill and Senate amendment would authorize the budget request.

The conferees agree to eliminate fiscal year 1998 funding for procurement of railway cars. The conferees note that the Army was able to take advantage of an unanticipated opportunity to procure 86% of its rail car requirement in calendar year 1997.

Training devices, nonsystem

The budget request included $49.7 million for nonsystem training devices.

The House bill would authorize an additional $4.0 million for four fire training systems.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.0 million for four fire fighter training systems.

Close combat tactical trainers

The budget request included $92.9 million for simulation network close combat tactical trainers (CCTT).

The House bill would authorize a decrease of $11.5 million due to the delay in initial operation test and evaluation for the close combat tactical training systems.

The Senate amendment would authorize a decrease of $10.0 million for procurement of training system components and would authorize a transfer of an additional $11.5 million to PE 64780A to resolve software problems.

The conferees agree to authorize a decrease of $38.4 million in procurement funding for the program. Included in this reduction is the transfer of $10.5 million to PE 64780A.

Overview

The budget request for fiscal year 1998 contained an authorization of $6,086.0 million for Aircraft Procurement, Navy in the Department of Defense. The House bill would authorize $6,173.0 million. The Senate amendment would authorize $6,482.3 million. The conferees recommended an authorization of $6,437.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	AIRCRAFT PROCUREMENT, NAVY										
	COMBAT AIRCRAFT										
	COMBAT AIRCRAFT										
1	AV-8B (V/STOL)HARRIER	11	300,067	12	333,067	12	389,667	1	6,242	12	306,309
1	LESS: ADVANCE PROCUREMENT (PY)		(22,419)		(22,419)		(22,419)				(22,419)
2	ADVANCE PROCUREMENT (CY)		18,914		18,914		18,914		(1,014)		17,900
3	F/A-18C/D (FIGHTER) HORNET		-		-		-				-
3	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
4	F/A-18E/F (FIGHTER) HORNET	20	2,389,793	TBD	1,637,600	20	2,389,793			20	2,389,793
4	LESS: ADVANCE PROCUREMENT (PY)		(288,693)		(288,693)		(288,693)				(288,693)
5	ADVANCE PROCUREMENT (CY)		90,475		90,475		90,475				90,475
6	V-22 (MEDIUM LIFT)	5	597,085	7	786,385	6	687,085	2	155,000	7	752,085
6	LESS: ADVANCE PROCUREMENT (PY)		(125,078)		(125,078)		(125,078)				(125,078)
7	ADVANCE PROCUREMENT (CY)		69,659		69,659		69,659		(7,535)		62,124
8	AH-1W (HELICOPTER) SEA COBRA		-		-		-				-
9	SH-60B (ASW HELICOPTER) SEAHAWK		-		-		-				-
10	E-2C (EARLY WARNING) HAWKEYE	3	257,009	4	325,009	4	325,009	1	68,000	4	325,009
10	LESS: ADVANCE PROCUREMENT (PY)		(20,535)		(20,535)		(20,535)				(20,535)
11	ADVANCE PROCUREMENT (CY)		19,481		19,481		19,481				19,481
	AIRLIFT AIRCRAFT										
	AIRLIFT AIRCRAFT										
12	CH-60 HELICOPTER		-		-		-				-
12	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
13	ADVANCE PROCUREMENT (CY)		31,837		31,837		31,837		(31,837)		-
	TRAINER AIRCRAFT										
	TRAINER AIRCRAFT										
14	T-45TS (TRAINER) GOSHAWK	12	269,762	18	369,762	18	371,762	3	45,423	15	315,185
14	LESS: ADVANCE PROCUREMENT (PY)		(25,802)		(25,802)		(25,802)				(25,802)
15	ADVANCE PROCUREMENT (CY)		6,235		6,235		6,235				6,235
16	T-39		-		-		-				-
	OTHER AIRCRAFT										
	OTHER AIRCRAFT										
17	KC-130J		-	3	179,700		-	2	120,000	2	120,000
18	HH-60H (HELICOPTER)		-		-		-				-
	MODIFICATION OF AIRCRAFT										
	MODIFICATION OF AIRCRAFT										
19	EA-6 SERIES		86,783		154,783		111,783		15,000		101,783
20	AV-8 SERIES		32,647		32,647		32,647				32,647

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
21	F-14 SERIES		290,500		290,500		290,500		(3,300)		287,200
22	ADVERSARY		115		115		115				115
23	ES-3 SERIES		5,233		5,233		5,233				5,233
24	F-18 SERIES		156,213		156,213		156,213				156,213
25	H-46 SERIES		33,480		33,480		33,480				33,480
26	AH-1W SERIES		34,518		34,518		34,518				34,518
27	H-53 SERIES		35,704		35,704		45,704		10,000		45,704
28	SH-60 SERIES		74,300		74,300		74,300				74,300
29	H-1 SERIES		18,489		12,889		12,889		(5,600)		12,889
30	H-3 SERIES		1,417		1,417		1,417				1,417
31	EP-3 SERIES		4,386		4,586		4,386				4,386
32	P-3 SERIES		164,907		268,807		182,207		50,300		215,207
33	S-3 SERIES		44,606		44,606		44,606				44,606
34	E-2 SERIES		49,073		49,173		49,073				49,073
35	TRAINER A/C SERIES		7,919		7,919		7,919				7,919
36	C-2A		19,159		19,259		19,159				19,159
37	C-130 SERIES		12,645		12,645		12,645				12,645
38	FEWSG		537		537		537				537
39	CARGO/TRANSPORT A/C SERIES		29,911		29,911		29,911		(4,000)		25,911
40	E-6 SERIES		96,344		96,344		96,344				96,344
41	EXECUTIVE HELICOPTERS SERIES		22,763		22,763		22,763				22,763
42	SPECIAL PROJECT AIRCRAFT		16,527		16,527		16,527				16,527
42a	CONTRACT AERIAL REFUELING				6,000						-
43	T-45 SERIES		5,442		5,442		5,442				5,442
44	POWER PLANT CHANGES		13,972		13,972		13,972		1,600		15,572
45	MISC FLIGHT SAFETY CHANGES		-		-		-				-
46	COMMON ECM EQUIPMENT		32,855		122,855		32,855				32,855
47	COMMON AVIONICS CHANGES		131,599		121,599		131,599		(1,200)		130,399
47a	AN/AWW-13				9,000						-
	AIRCRAFT SPARES AND REPAIR PARTS										
	AIRCRAFT SPARES AND REPAIR PARTS										
48	SPARES AND REPAIR PARTS		740,214		802,214		740,214				740,214
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE										
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
49	CANCELLED ACCOUNT ADJUSTMENTS (M)		-		-		-				-
50	CANCELLED ACCOUNT ADJUSTMENTS (88)		-		-		-				-
51	COMMON GROUND EQUIPMENT		287,114		274,114		287,114		(13,000)		274,114
52	AIRCRAFT INDUSTRIAL FACILITIES		17,585		17,585		17,585				17,585

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
53	WAR CONSUMABLES		16,014		16,014		16,014				16,014
54	OTHER PRODUCTION CHARGES		10,185		10,185		10,185				10,185
55	SPECIAL SUPPORT EQUIPMENT		23,302		23,302		23,302				23,302
56	FIRST DESTINATION TRANSPORTATION		1,717		1,717		1,717				1,717
57	ADVISORY AND ASSISTANCE SERVICES				(41,522)				(8,714)		(8,714)
	ECONOMIC ASSUMPTIONS								(44,000)		(44,000)
	TOTAL AIRCRAFT PROCUREMENT, NAVY		6,085,965		6,172,950		6,482,265		351,365		6,437,330

AV–8H Harrier remanufacture

The budget request included $300.1 million to procure 11 AV–8B remanufactured aircraft for the Marine Corps. The fiscal year 1997 plan for AV–8B remanufacture in fiscal year 1998 called for a procurement of 12 aircraft in fiscal year 1998. However, the budget request for fiscal year 1998 included 11 aircraft, a further indication of the Department of Defense's inability to execute its own previously stated procurement program.

The House bill would authorize an increase of $33.0 million for an additional aircraft.

The Senate amendment would authorize an increase of $89.6 million, including $24.6 million for an additional aircraft remanufacture and $65.0 million for training simulators.

The conferees agree to authorize an increase of $6.2 million for an additional AV–8B remanufacture. The conferees understand that an additional remanufacture can be funded with this increase through program savings.

T–45TS Goshawk

The budget request included $269.8 million for 12 T–45 trainer aircraft and $6.2 million for advance procurement of 12 T–45C aircraft in fiscal year 1999.

The House bill would authorize an increase of $100.0 million for the procurement of six additional aircraft.

The Senate amendment would authorize an increase of $102.0 million for the same purpose.

The conferees note with concern the recent grounding of the T–2 trainers because of flight control malfunctions. The T–2s are being replaced by the T–45. Accordingly, the conferees agree to authorize $315.2 million, an increase of $45.4 million to accelerate fielding of the T–45 by increasing the fiscal year 1998 acquisition from 12 to 15 aircraft.

EA–6 Series

The budget request included $86.8 million for EA–6B modifications.

The House bill would authorize an increase of $68.0 million, including $50.0 million for 10 wing center sections (WCS) and $18.0 million to continue the turbine engine blade containment system (TEBS).

The Senate amendment would authorize an increase of $25.0 million to incorporate a low risk, affordable upgrade to the EA–6B in conjunction with modifications already underway to counter the new family of threats.

The conferees agree to authorize an increase of $25.0 million to replace the WCS of 5 additional EA–6Bs. The increase of $25.0 million for WCS is partially offset by a $10.0 million reduction for late obligations, resulting in a net increase of $15.0 million for EA–6B modifications. The conferees urge the Secretary of the Navy to provide funds to complete the WCS modifications in the fiscal year 1999 budget request.

P–3C anti-surface warfare improvement program

The budget request included $164.9 million for P–3 series modifications, $74.7 million of which is for the procurement of four anti-surface warfare improvements program (AIP) kits, and $41.3 million of which is for 11 sustained readiness program (SRP) kits.

The House bill would authorize an increase of $56.6 million for an additional eight AIP kits and an increase of $35.1 million to procure 17 additional shipsets of SRP kits. In addition, the House would authorize an increase of $11.0 million for light weight environmentally sealed parachute assemblies (LESPA) and an increase of $1.4 million for oil debris detection systems (ODDS).

The Senate amendment would authorize an increase of $17.3 million for the procurement of two P–3C AIP kits and direct the Secretary of the Navy to formally evaluate the advisability of renegotiating the P–3C AIP contract to eliminate the cost penalties that are being incurred as a consequence of current Navy budgeting practices.

The conferees agree to authorize the following increases to the budget request: $25.0 million for sustained readiness program (SRP) kits, $17.3 million for anti-surface warfare improvement program (AIP) kits, and $8.0 million for light weight environmentally sealed parachute assemblies.

Power plant changes

The budget request included $14.0 million for power plant changes.

The House bill would authorize an increase of $1.6 million to incorporate the oil debris detection system (ODDS) on the P–3, E–2 and C–2 fleets, with $1.4 million for the P–3 and $100,000 for the E–2 and C–2 fleets. The House bill would apportion the increase for ODDS in individual aircraft modification accounts. The ODDS is an on-board detection system that alerts air crews to the presence of metal chips in engines and propeller gear boxes, allowing flights to be terminated prior to catastrophic failure of critical components.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $1.6 million in the power plant changes budget line item for the incorporation of ODDS in P–3, E–2, and C–2 fleets.

Common Avionics Changes

The budget request included $131.6 million for common avionics changes, but did not contain any funding to procure AN/AWW–13 guided weapon control monitor sets. The AN/AWW–13 provides the data link capability for F/A–18 series aircraft to employ the precision-guided Walleye and the Stand-off Land Attack Missiles.

The Senate amendment would authorize the budget request.

The House bill would authorize an additional $9.0 million to continue AN/AWW–13 production. The House bill would also provide an additional $4.0 million in PE 64215N for integration of the ground proximity warning system (GPWS) into the Navy/Marine Corps helicopters fleets.

The conferees agree to authorize $130.4 million, which includes an additional $6.0 million to continue AN/AWW–13 production and $4.0 million for GPWS integration. These increases are offset by a $10.0 million reduction for late obligations and a $1.2 million reduction for systems engineering growth in other programs funded in this budget line.

Overview

The budget request for fiscal year 1998 contained an authorization of $1,136.3 million for Weapons Procurement, Navy in the Department of Defense. The House bill would authorize $1,214.7 million. The Senate amendment would authorize $1,200.4 million. The conferees recommended an authorization of $1,089.4 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	WEAPONS PROCUREMENT, NAVY										
	BALLISTIC MISSILES										
	BALLISTIC MISSILES										
1	TRIDENT II	7	309,130	7	309,130	7	309,130	(2)	(65,000)	5	244,130
1	LESS: ADVANCE PROCUREMENT (PY)		(16,882)		(16,882)		(16,882)				(16,882)
2	ADVANCE PROCUREMENT (CY)		47,021		47,021		47,021				47,021
	SUPPORT EQUIPMENT AND FACILITIES										
3	MISSILE INDUSTRIAL FACILITIES		2,143		2,143		2,143				2,143
	OTHER MISSILES										
	STRATEGIC MISSILES										
4	TOMAHAWK	65	51,820	65	51,820	65	91,820			65	51,820
5	ESSM		15,529		15,529		15,529		(5,000)		10,529
	TACTICAL MISSILES										
6	AMRAAM	100	57,066	100	57,066	100	57,066			100	57,066
7	HARPOON		-		-		-				-
8	JSOW	113	58,665	150	68,665	113	58,665	37	5,000	150	63,665
9	STANDARD MISSILE	127	196,492	127	196,492	127	196,492		(15,400)	127	181,092
10	RAM	100	44,082	100	44,082	100	44,082			100	44,082
11	PENGUIN		-		-		15,000		7,500		7,500
12	AERIAL TARGETS		72,923		72,923		66,723		(7,000)		65,923
13	DRONES AND DECOYS		298		298		298				298
14	OTHER MISSILE SUPPORT		18,294		18,294		18,294				18,294
14a	HELLFIRE			700	37,500			700	20,000	700	20,000
	MODIFICATION OF MISSILES										
15	TOMAHAWK MODS		-		-		-				-
16	SPARROW MODS		-		-		-				-
17	SIDEWINDER MODS		333		333		333				333
18	HARPOON MODS		21,694		21,694		21,694				21,694
19	OTHER MISSILE MODS		-		-		-				-
20	STANDARD MISSILES MODS		35,601		68,601		50,901		15,300		50,901
	SUPPORT EQUIPMENT AND FACILITIES										
21	WEAPONS INDUSTRIAL FACILITIES		34,932		25,932		34,932		(4,500)		30,432
22	FLEET SATELLITE COMM (MYP) (SPACE)		-		-		-				-
	ORDNANCE SUPPORT EQUIPMENT										
23	ORDNANCE SUPPORT EQUIPMENT		5,264		5,264		5,264				5,264
	TORPEDOES AND RELATED EQUIPMENT										
	TORPEDOES AND RELATED EQUIPMENT										
24	ASW TARGETS		685		685		685				685

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
25	VERTICAL LAUNCHED ASROC (VLA)		-		-		-				-
	MOD OF TORPEDOES AND RELATED EQUIP										
26	MK-46 TORPEDO MODS		274		274		274				274
27	MK-48 TORPEDO ADCAP MODS		55,392		55,392		55,392				55,392
	SUPPORT EQUIPMENT										
28	TORPEDO SUPPORT EQUIPMENT		25,509		25,509		25,509				25,509
29	ASW RANGE SUPPORT		11,847		11,847		11,847				11,847
	DESTINATION TRANSPORTATION										
30	FIRST DESTINATION TRANSPORTATION		2,008		2,008		2,008				2,008
	OTHER WEAPONS										
	GUNS AND GUN MOUNTS										
31	SMALL ARMS AND WEAPONS		994		994		994				994
	MODIFICATION OF GUNS AND GUN MOUNTS										
32	CIWS MODS		9,990		29,990		9,990		15,000		24,990
33	5/54 GUN MOUNT MODS		241		241		241				241
34	MK-75 76MM GUN MOUNT MODS		-		-		-				-
35	MODS UNDER $2 MILLION		1,320		1,320		1,320				1,320
	SUPPORT EQUIPMENT										
36	PIONEER		3,962		3,962		3,962		3,000		6,962
	OTHER										
37	PIONEER		42,723		42,723		42,723				42,723
38	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-				-
39	PRIOR YEAR DEFICIENCIES		-		-		-				-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
40	SPARES AND REPAIR PARTS		26,943		26,943		26,943		(5,000)		21,943
41	ADVISORY AND ASSISTANCE SERVICES				(13,106)				(2,750)		(2,750)
	ECONOMIC ASSUMPTIONS								(8,000)		(8,000)
	TOTAL WEAPONS PROCUREMENT, NAVY		1,136,293		1,214,687		1,200,393		(46,850)		1,089,443

Tactical Tomahawk

The Department of the Navy and the Department of Defense advised the conferees of a proposal by the current prime Tomahawk contractor to upgrade the capability and reduce the production unit cost of the Tomahawk cruise missile. The upgraded missile, a variant of the current Tomahawk (known as ''Tactical Tomahawk'' or the ''Tomahawk Block IV+''), would include several enhancements to improve the tactical responsiveness of the missile. The Navy and the contractor would attempt to reduce Tomahawk missile unit cost by exploiting commercial manufacturing practices for the missile. Overall, the Navy is projecting that the Department could achieve life cycle cost savings for the Tactical Tomahawk of approximately $400.0 million, compared to similar costs for the currently planned Tomahawk Block IV missile system. The conferees also understand that the initial operational capability (IOC), fiscal year 2002, for the improved Tomahawk would be approximately two years later than the IOC for Tomahawk Block IV, fiscal year 2000.

Under the Navy's proposal, the Department would use approximately $25.0 million in additional fiscal year 1998 research and development and other procurement funding to begin the effort. The conferees understand that the Department wants to implement such a program as early as possible in fiscal year 1998. In fact, the Navy had asked the conferees for the authority to divert these funds from the Weapons Procurement, Navy account by terminating the last year of the multi-year contract for procurement of the Tomahawk Block III missile.

In general, the conferees support the concept of a program to upgrade the capabilities of the Tomahawk missile and to reduce the missile's unit cost. However, there are acquisition strategy and funding issues that must be addressed before the conferees would agree to such a proposal. Such questions include whether: (1) this program should be a sole source award to the current prime contractor; (2) the Navy and whichever prime contractor may be selected for such a program should evaluate subsystem alternatives such as engines on a ''least cost'' or ''best value'' basis; and (3) buying the last increment of missiles on the current contract is less important than beginning a new program earlier.

If the Secretary of Defense decides that starting the program in fiscal year 1998 is critical, the Secretary of Defense may submit a reprogramming request to transfer fiscal year 1998 funds that would be necessary to implement an alternative approach for the Tomahawk program. The conferees expect that such a request would include more detailed supporting rationale upon which the recommendation is based and would address the acquisition strategy and funding issues involved.

Joint Standoff Weapon

The budget request included $58.7 million for 113 Joint Standoff Weapon (JSOW) missiles for the Navy. No funds were requested to procure JSOW missiles for the Air Force until fiscal year 1999.

The House bill would authorize an increase of $10.0 million for the Navy to procure 37 additional missiles and an increase of $29.0 million for the Air Force to initiate procurement of 100 missiles.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million for the Navy to procure a total of up to 150 JSOW, and an increase of $19.0 million for the Air Force to initiate acquisition of up to 100 JSOW.

Penguin missile program

The budget request included no funds for procurement of Penguin missiles.

The House bill would approve the request.

The Senate amendment would authorize an increase of $15.0 million for procurement of additional missiles to satisfy outstanding inventory objectives and sustain procurement of the Penguin missile during fiscal year 1998 to reduce costs by achieving labor learning and production stability.

The conferees agree to authorize an increase of $7.5 million for procurement of Penguin missiles.

Hellfire II missiles

The budget request included no funds for Hellfire missiles for the Navy or Marine Corps.

The House bill would authorize $37.5 million for 700 Hellfire II missiles to address a shortfall in Navy and Marine Corps inventory requirements.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $20.0 million for procurement of Hellfire II missiles for the Navy and Marine Corps.

Close-in weapon system surface mode upgrade

The budget request included $10.0 million for procurement of close-in weapon system (CIWS), but did not include any funding to procure surface mode upgrade kits for this system.

The House bill would authorize an increase of $20.0 million to procure CIWS upgrade kits for both surface combatants and other ships equipped with this system.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $15.0 million for procurement of CIWS surface-mode upgrade kits.

Pioneer logistic support

The budget request included $4.0 million for support of Pioneer unmanned aerial vehicle (UAV).

The Senate amendment would authorize an increase of $3.0 million to continue common automatic recovery system (CARS) logistic support in the Procurement, Defense-Wide account.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million for logistic support in the Weapons Procurement, Navy Pioneer budget line item.

Overview

The budget request for fiscal year 1998 contained an authorization of $5,817.8 million for Aircraft Procurement, Air Force in the Department of Defense. The House bill would authorize $6,770.9 million. The Senate amendment would authorize $6,048.9 million. The conferees recommended an authorization of $6,425.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	AIRCRAFT PROCUREMENT, AIR FORCE										
	COMBAT AIRCRAFT										
	STRATEGIC OFFENSIVE										
1	B-1B		10,851		10,851		10,851				10,851
2	B-2A		174,086		505,286		174,086		156,914		331,000
	TACTICAL FORCES										
3	ADVANCED TACTICAL FIGHTER		-		-		-				-
3	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
4	ADVANCE PROCUREMENT (CY)		80,864		80,864		-		(6,000)		74,864
5	F-15A	3	159,000	3	159,000	6	259,800	2	67,300	5	226,300
5	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
6	ADVANCE PROCUREMENT (CY)		11,000		11,000		11,000				11,000
7	F-16 C/D (MYP)		-	3	66,000		-	3	66,000	3	66,000
	AIRLIFT AIRCRAFT										
	TACTICAL AIRLIFT										
8	C-17 (MYP)	9	2,169,111	9	2,169,111	9	2,169,111		(21,700)	9	2,147,411
8	LESS: ADVANCE PROCUREMENT (PY)		(245,800)		(245,800)		(245,800)				(245,800)
9	ADVANCE PROCUREMENT (CY)		278,200		278,200		278,200				278,200
10	EC-130J		-	1	49,900		-	1	49,900	1	49,900
	OTHER AIRLIFT										
11	C-130J	1	49,928	1	342,928		-	(1)	(25,928)		24,000
12	WC-130J		-		-		-	2	132,850	2	132,850
12a	C-130J Logistics		-		-		48,000				-
	TRAINER AIRCRAFT										
	OPERATIONAL TRAINERS										
13	JPATS	18	65,415	22	77,615	22	77,615	4	12,200	22	77,615
14	TANKER, TRANSPORT, TRAINER SYSTEM		-		-		-				-
	OTHER AIRCRAFT										
	HELICOPTERS										
15	HH-60G		-		-		-				-
	MISSION SUPPORT AIRCRAFT										
16	CIVIL AIR PATROL A/C	27	2,645	27	2,645	27	2,645			27	2,645
17	SMALL VCX (C-37)		-		-		-				-
18	LARGE VCX (C-32A)	2	190,116	2	190,116	2	190,116			2	190,116
19	DRUG INTERDICTION		-		-		-				-
	OTHER AIRCRAFT										
20	E-8C	1	380,949	1	380,949	1	380,949		(1,700)	1	379,249
20	LESS: ADVANCE PROCUREMENT (PY)		(66,958)		(66,958)		(66,958)				(66,958)

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
21	ADVANCE PROCUREMENT (CY)		22,400		22,400		22,400				22,400
22	PREDATOR UAV	15	116,506	15	146,506	15	116,506		25,000	15	141,506
	MODIFICATION OF INSERVICE AIRCRAFT										
	STRATEGIC AIRCRAFT										
23	B-2A MODS		13,853		13,853		13,853				13,853
24	B-1B MODS		114,245		138,245		114,245				114,245
25	B-52 MODS		28,907		28,907		28,907				28,907
26	F-117 MODS		28,296		28,296		28,296				28,296
	TACTICAL AIRCRAFT										
27	A-10 MODS		24,971		24,971		24,971				24,971
28	F/RF-4 MODS		-		-		-				-
29	F-15 MODS		169,568		169,568		264,968		11,800		181,368
30	F-16 MODS		216,158		216,158		224,818		(7,000)		209,158
30a	F-16 DIGITAL TERRAIN SYSTEM				20,000						-
31	EF-111 MODS		236		236		236				236
32	T/AT-37 MODS		95		95		95				95
	AIRLIFT AIRCRAFT										
33	C-5 MODS		83,036		83,036		83,036				83,036
34	C-9 MODS		16,323		16,323		16,323				16,323
35	C-17 MODS		59,053		59,053		59,053				59,053
36	C-21 MODS		6,911		6,911		6,911				6,911
37	C-22 MODS		276		276		276				276
38	C-STOL MODS		51		51		51				51
39	C-137 MODS		2,262		2,262		2,262				2,262
40	C-141 MODS		30,705		30,705		30,705				30,705
	TRAINER AIRCRAFT										
41	T-1 MODS		6,974		6,974		6,974				6,974
42	T-3 MODS		100		100		100				100
43	T-38 MODS		14,806		14,806		14,806				14,806
44	T-41 MODS		100		100		100				100
45	T-43 MODS		10,256		10,256		10,256				10,256
	OTHER AIRCRAFT										
46	KC-10 MODS		14,533		14,533		14,533				14,533
47	C-12 MODS		4,680		4,680		4,680				4,680
48	C-18 MODS		272		272		272				272
49	C-20 MODS		6,535		6,535		6,535				6,535
50	VC-25A MOD		10,760		10,760		10,760				10,760
51	C-130 MODS		94,511		94,511		94,511		24,700		119,211

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
52	C-135 MODS		137,861		137,861		137,861				137,861
53	E-3 MODS		134,659		134,659		134,659		(2,500)		132,159
54	E-4 MODS		11,385		11,385		11,385				11,385
55	E-8 MODS		-		-		-				-
56	H-1 MODS		2,778		3,578		2,778		800		3,578
57	H-60 MODS		16,852		16,852		16,852				16,852
58	OTHER AIRCRAFT MODS		33,065		33,065		33,065				33,065
	OTHER MODIFICATIONS										
59	CLASSIFIED PROJECTS MODS		7,552		7,552		7,552				7,552
	PASSENGER SAFETY MODIFICATIONS						-		50,000		50,000
60	DARP MODS		67,136		139,136		96,136		77,000		144,136
60a	GLOBAL AIR TRAFFIC MANAGEMENT				67,700		-				-
	AIRCRAFT SPARES AND REPAIR PARTS										
	AIRCRAFT SPARES + REPAIR PARTS										
61	SPARES AND REPAIR PARTS		350,010		350,010		350,010				350,010
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
	COMMON SUPPORT EQUIPMENT										
62	COMMON SUPPORT EQUIPMENT		151,238		151,238		151,238				151,238
	POST PRODUCTION SUPPORT										
63	A-10 POST PROD SUPP		2,753		2,753		2,753				2,753
64	B-2A POST PROD SUPP		-		-		-				-
65	C-5 POST PROD SUPP		-		-		-				-
66	F-15 POST PROD SUPP		8,089		8,089		8,089		(1,800)		6,289
67	F-16 POST PROD SUPP		22,402		22,402		22,402		16,000		38,402
	INDUSTRIAL PREPAREDNESS										
68	INDUSTRIAL PREPAREDNESS		25,855		25,855		25,855				25,855
	WAR CONSUMABLES										
69	WAR CONSUMABLES		67,565		67,565		67,565		(4,000)		63,565
	OTHER PRODUCTION CHARGES										
70	MISC PRODUCTION CHARGES		275,804		275,804		275,804				275,804
71	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-				-
	COMMON ECM EQUIPMENT										
72	COMMON ECM EQUIPMENT		4,564		4,564		4,564				4,564
	DARP										
73	DARP		141,493		146,493		209,293		29,000		170,493
74	ADVISORY AND ASSISTANCE SERVICES				(18,747)				(3,934)		(3,934)
	ECONOMIC ASSUMPTIONS								(37,000)		(37,000)
	TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		5,817,847		6,770,900		6,048,915		607,902		6,425,749

F–15E

The budget request included $159.0 million to continue the procurement of F–15E strike aircraft.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $100.8 million for procurement of an additional three F–15E aircraft.

The conferees agree to authorize an increase of $67.3 million to procure an additional two F–15E aircraft.

C–130J

The budget request included $49.9 million for the procurement of one C–130J aircraft.

The House bill would authorize an increase of $522.6 million for an additional nine aircraft.

The Senate amendment would authorize an increase of $371.1 million for five additional aircraft and associated logistic support.

The conferees agree to authorize a total of $527.5 million for eight additional C–130J aircraft and support as shown below:

C–130 PROGRAMS

[Dollars in millions]

Type	Budget request		House bill		Senate bill		Conference agreement	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
KC–130J			+3	+179.7			+2	+120.0
WC–130J					+3	+177.0	+2	+132.8
EC–130J			+1	+49.9	+1	+70.5	+1	+74.6
C–130J	1	49.9	+5	+293.0	−1	−49.9	−1	−49.9
C–130J ANG					+2	+95.8	+4	+226.0
Logistics:								
WC–130J						+29.7		
C–130J						+48.0		+24.0
Total	1	49.9	+9	+522.6	+5	+371.1	+8	+527.5

Predator Unmanned Aerial Vehicle

The budget request included $116.5 million for 15 Predator unmanned aerial vehicles (UAV).

The House bill would authorize an increase of $30.0 million for the procurement of attrition UAV and spares.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $25.0 million.

F–15 modifications

The budget request included $169.6 million for F–15 modifications.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $95.4 million, including $72.6 million to restore a reduction in F–15 modifications made by the Air Force in its budget request, and $22.8 million to accelerate by one year the incorporation of the PW–220E engine program.

The conferees agree to authorize $181.4 million: an increase of $11.8 million, for F–15 modifications; a decrease of $5.0 million for terminated upgrades; an increase of $12.8 million for the PW–220E engine program; and an increase of $4.0 million for data link acceleration.

F–16 modifications

The budget request included $216.2 million for F–16 modifications.

The House bill would authorize an increase of $20.0 million for a digital terrain system (DTS).

The Senate amendment would authorize an increase of $8.6 million to procure non-developmental item (NDI) systems that incorporate in one pod the targeting and navigation functions of the low-altitude navigation and targeting infrared for night (LANTIRN) pods.

The conferees agree to authorize $209.2 million for F–16 modifications, a decrease of $7.0 million from the budget request. The $7.0 million reduction is the result of a reduction of $13.0 million for global positioning system (GPS), a reduction of $6.0 million for late obligations, offset by an increase of $12.0 million for DTS.

Passenger safety and global air traffic management

Although the budget request included funds to modify some Air Force aircraft to comply with global air traffic management (GATM) requirements, there was no specific request for either GATM or passenger safety modifications for Air Force aircraft.

The House bill would authorize an increase of $67.7 million for GATM, but no increase for passenger safety modifications.

The Senate amendment would authorize the budget request. The Senate report (S. Rept. 105–29) included specific direction to the Secretary of Defense to encourage the use of commercial off-the-shelf (COTS) technology and non-developmental item (NDI) solutions to GATM requirements.

The conferees agree to authorize an increase of $17.5 million for the modification of Air Force aircraft to comply with GATM requirements, and $32.5 million for passenger safety modifications, to include initiation of navigation safety phase II modifications, the traffic collision avoidance system (TCAS), and the ground proximity warning system (GPWS), as directed by the Secretary of Defense. The conferees expect the Air Force to include in the fiscal year 1999 budget request and the Future Years Defense Program (FYDP) sufficient funding to complete these required upgrades.

Defense Airborne Reconnaissance Program

Procurement for the Defense Airborne Reconnaissance Program (DARP) is contained in a number of procurement lines, distributed among the individual services and the defense-wide procurement account. The budget request included:

(1) $67.1 million in Aircraft Procurement, Air Force (APAF) line 60;

(2) $141.5 million in APAF, line 73;

(3) $12.8 million in Other Procurement, Air Force (OPAF), line 111; and

(4) $97.5 million in Procurement, Defense-wide (PDW), line 7.

The conferees agree to authorize increases in DARP procurement as shown below:

DEFENSE AIRBORNE RECONNAISSANCE PROCUREMENT PROGRAMS

[In millions of dollars]

Program	Budget request	Proposed change		Conference agreement
		House	Senate	
Rivet Joint mods	61.1			61.1
Rivet Joint technology transfer		20.0	20.0	5.6
Combat Sent mods	6.0			6.0
RC–135 re-engining		52.0		27.4
RJ Sensors and spares				35.0
SR–71 mods			9.0	9.0

DEFENSE AIRBORNE RECONNAISSANCE PROCUREMENT PROGRAMS—Continued

[In millions of dollars]

Program	Budget request	Proposed change		Conference agreement
		House	Senate	
Subtotal—APAF 60	67.1	72.0	29.0	144.1
Budget Request	141.5			141.5
RC–135 re-engining			54.8	0
Senior Glass			13.0	24.0
SYERS		5.0		5.0
Subtotal—APAF 73	141.5	5.0	67.8	170.5
DARP RC 135	12.8			12.8
RJ Sensors and spares		35.0		
Subtotal—OPAF 111	12.8	35.0		12.8
DARP	97.4			97.4
Common automatic recovery system			5.0	
Subtotal—PDW 7	97.4		5.0	97.4

Theater airborne warning system

The budget request included no funds for the Theater Airborne Warning System (TAWS) program, which is designed to equip the existing fleet of Rivet Joint aircraft with a medium-wave infrared sensor for ballistic missile detection.

The House bill and Senate amendment would authorize an increase of $20.0 million for the TAWS program.

The conferees agree to authorize an increase of $5.6 million for the demonstration phase of the TAWS program. If this phase of the program proves to be successful, the conferees would be supportive of moving into the procurement phase in order to equip the Rivet Joint fleet with this capability.

Overview

The budget request for fiscal year 1998 contained an authorization of $404.0 million for Ammunition Procurement, Air Force in the Department of Defense. The House bill would authorize $437.0 million. The Senate amendment would authorize $420.8 million. The conferees recommended an authorization of $398.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT OF AMMUNITION, AIR FORCE										
	PROCUREMENT OF AMMO, AIR FORCE										
	ROCKETS										
1	2.75 INCH ROCKET MOTOR	23,718	8,856	23,718	8,856	23,718	8,856			23,718	8,856
2	2.75" ROCKET HEAD SIGNATURE	13,940	919	13,940	919	13,940	919			13,940	919
3	ITEMS LESS THAN $2,000,000		50		50		50				50
	CARTRIDGES										
4	5.56 MM	23,273	7,590	23,273	7,590	23,273	7,590			23,273	7,590
5	20MM TRAINING		-		-		-				-
5a	20MM PGU-28				7,000				1,750		1,750
6	30 MM TRAINING	3,278	27,447	3,278	27,447	3,278	27,447			3,278	27,447
7	CARTRIDGE CHAFF RR-180	845	12,088	845	12,088	845	12,088			845	12,088
8	CARTRIDGE CHAFF RR-188		-		-		-				-
9	SIGNAL MK-4 MOD 3	596	1,122	596	1,122	596	1,122			596	1,122
10	ITEMS LESS THAN $2,000,000		4,097		4,097		4,097				4,097
	BOMBS										
11	MK-82 INERT/BDU-50	30,672	22,218	30,672	22,218	30,672	22,218			30,672	22,218
12	TIMER ACTUATOR FIN FUZE		-		-		-				-
13	GBU-28 HARD TARGET PENETRATOR		-		16,800		16,800		8,400		8,400
14	BOMB PRACTICE 25 POUND	397,760	5,613	397,760	5,613	397,760	5,613			397,760	5,613
15	2000 LB HE BOMB MK-84		-		-		-				-
16	MK-84 BOMB-EMPTY	994	2,482	994	2,482	994	2,482			994	2,482
17	SENSOR FUZED WEAPON	556	153,861	556	163,061	556	153,861			556	153,861
18	CBU-87(COMBINED EFFECTS MUNITIONS)		-		-		-				-
19	TTU-373A DIGITAL TEST SET		-		-		-				-
20	JOINT DIRECT ATTACK MUNITION	2,673	61,307	2,673	61,307	2,673	61,307		(5,000)	2,673	56,307
21	WIND CORRECTED MUNITIONS DISPENSER	280	19,871	280	19,871	280	19,871		(7,600)	280	12,271
22	CBU-89 GATOR INERT		-		-		-				-
23	ITEMS LESS THAN $2,000,000		167		167		167				167
	ITEMS LESS THAN $2,000,000										
24	ITEMS LESS THAN $2,000,000		-		-		-				-
	FLARE, IR MJU-7B										
25	ASTE (INFRARED EXPENDABLE)		-		-		-				-
26	FLARE, IR MJU-7B	662,280	14,698	662,280	14,698	662,280	14,698			662,280	14,698
27	PARACHUTE FLARE LUU-2 B/B		-		-		-				-
28	MJU-23 FLARE		-		-		-				-
29	MJU-10B	190,824	11,477	190,824	11,477	190,824	11,477			190,824	11,477
30	M-206 CARTRIDGE FLARE	1,099,600	17,507	1,099,600	17,507	1,099,600	17,507			1,099,600	17,507

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
31	CAD/PAD		12,821		12,821		12,821				12,821
32	INITIAL SPARES		-		-		-				-
33	REPLENISHMENT SPARES		979		979		979				979
34	MODIFICATIONS		149		149		149				149
35	ITEMS LESS THAN $2,000,000		4,608		4,608		4,608				4,608
	FUZES										
36	JOINT PROGRAMMABLE FUSE(JPF)	1,170	5,880	1,170	5,880	1,170	5,880			1,170	5,880
37	HARD TARGET SMART FUZE		-		-		-				-
	WEAPONS										
	SMALL ARMS										
38	M-16 A2 RIFLE		6,009		6,009		6,009				6,009
39	9MM COMPACT PISTOL	260	183	260	183	260	183			260	183
40	M-9 PISTOL	2,265	1,127	2,265	1,127	2,265	1,127			2,265	1,127
41	ITEMS LESS THAN $2M		858		858		858				858
	ECONOMIC ASSUMPTIONS								(3,000)		(3,000)
	TOTAL PROCUREMENT OF AMMUNITION, AIR FORCE		403,984		436,984		420,784	-	(5,450)		398,534

Overview

The budget request for fiscal year 1998 contained an authorization of $2,557.7 million for Missile Procurement, Air Force in the Department of Defense. The House bill would authorize $2,389.2 million. The Senate amendment would authorize $2,411.2 million. The conferees recommended an authorization of $2,376.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	MISSILE PROCUREMENT, AIR FORCE										
	BALLISTIC MISSILES										
	MISSILE REPLACEMENT EQUIPMENT - BALLISTIC										
1	MISSILE REPLACEMENT EQ-BALLISTIC		27,604		27,604		27,604				27,604
	OTHER MISSILES										
	STRATEGIC										
2	HAVE NAP		-		39,000		-		25,000		25,000
3	ADVANCED CRUISE MISSILE		843		843		843				843
	TACTICAL										
4	JOINT STANDOFF WEAPON		1,139		30,139		1,139		19,000		20,139
5	AMRAAM	173	117,768	173	117,768	173	117,768		(10,600)	173	107,168
6	AGM-130 POWERED GBU-15		1,539		42,539		1,539		23,461		25,000
	TARGET DRONES										
7	TARGET DRONES		25,718		25,718		25,718				25,718
	INDUSTRIAL FACILITIES										
8	MISSILE INDUSTRIAL FACILITIES		3,492		3,492		3,492				3,492
	MISSILE REPLACEMENT EQUIPMENT - OTHER										
9	MISSILE REPLACEMENT EQ-OTHER		-		-		-				-
	MODIFICATION OF INSERVICE MISSILES										
	CLASS IV										
10	CONVENTIONAL ALCM		-		18,800		-				-
11	PEACEKEEPER(M-X)		5,250		5,250		5,250				5,250
12	AIM-9 SIDEWINDER		-		-		-				-
13	MM III MODIFICATIONS		106,899		106,899		106,899				106,899
14	AGM-88A HARM		-		-		-				-
15	MODIFICATIONS UNDER $2.0M		199		199		199				199
15a	AGM-65 MAVERICK				11,000				8,000		8,000
	SPARES AND REPAIR PARTS										
	MISSILE SPARES + REPAIR PARTS										
16	SPARES AND REPAIR PARTS		28,808		28,808		28,808				28,808
	OTHER SUPPORT						-				
	SPACE PROGRAMS										
17	SPACEBORNE EQUIP (COMSEC)		9,304		9,304		9,304				9,304
18	GLOBAL POSITIONING (MYP) SPACE	3	191,312	3	191,312	3	191,312			3	191,312
18	LESS: ADVANCE PROCUREMENT (PY)		(27,475)		(27,475)		(27,475)				(27,475)
19	ADVANCE PROCUREMENT (CY)		-		-		-				-
20	NUDET DETECTION SYSTEM		1,194		1,194		1,194				1,194
20	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
21	INERTIAL UPPER STAGES SPACE		49,990		49,990		49,990				49,990
22	TITAN SPACE BOOSTERS SPACE		555,304		473,304		455,304		(91,000)		464,304
23	MEDIUM LAUNCH VEHICLE SPACE	4	205,983	4	196,183	4	205,983		(9,000)	4	196,983
23	LESS: ADVANCE PROCUREMENT (PY)		(40,200)		(40,200)		(40,200)				(40,200)
24	ADVANCE PROCUREMENT (CY)		52,715		52,715		52,715				52,715
25	DEF METEOROLOGICAL SAT PROG SPACE		35,243		35,243		35,243				35,243
26	DEFENSE SUPPORT PROGRAM (MYP) SPACE		113,708		113,708		113,708		(5,000)		108,708
27	DEFENSE SATELLITE COMM SYSTEM SPACE		89,930		89,930		89,930				89,930
27	LESS: ADVANCE PROCUREMENT (PY)		(13,496)		(13,496)		(13,496)				(13,496)
28	ADVANCE PROCUREMENT (CY)		-		-		-				-
29	M-16 A2 RIFLE		-		-		-				-
	SPECIAL PROGRAMS										
30	SPECIAL UPDATE PROGRAMS		241,570		241,570		241,570				241,570
31	SPECIAL PROGRAMS		773,400		597,400		726,900		(115,000)		658,400
32	ADVISORY AND ASSISTANCE SERVICES				(39,558)				(8,301)		(8,301)
	ECONOMIC ASSUMPTIONS								(18,000)		(18,000)
	TOTAL MISSILE PROCUREMENT, AIR FORCE		2,557,741		2,389,183		2,411,241		(181,440)		2,376,301

AGM–130 powered GBU–15

The budget request included $1.5 million for AGM–130 management, administration, and contractor support.

The House bill would authorize an increase of $41.0 million for the procurement of 100 AGM–130 missiles.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $25.0 million, an increase of $23.5 million for AGM–130.

AGM–65 Maverick

The budget request included no funds for AGM–65 modifications.

The House bill would authorize $11.0 million for AGM–65 modifications.

The Senate amendment would authorize the budget request.

The conferees understand that early-generation models of the AGM–65 require upgrading to further extend their longevity. The conferees are aware that the gap between the completion of testing and the beginning of production could significantly increase the cost of the upgrade, as well as unacceptably delay its fielding. Therefore, the conferees agree to authorize an increase of $8.0 million to eliminate any gap with low-rate production and to ensure a smooth transition to full-rate production, which the conferees assume will occur in fiscal year 1999.

Overview

The budget request for fiscal year 1998 contained an authorization of $6,561.3 million for Other Procurement, Air Force in the Department of Defense. The House bill would authorize $6,574.1 million. The Senate amendment would authorize $6,798.5 million. The conferees recommended an authorization of $6,543.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	OTHER PROCUREMENT, AIR FORCE										
	VEHICULAR EQUIPMENT										
	PASSENGER CARRYING VEHICLES										
1	SEDAN, 4 DR 4X2	88	1,520	88	1,520	88	1,520			88	1,520
2	STATION WAGON, 4X2	7	120	7	120	7	120			7	120
3	BUSES	17	929	17	929	17	929			17	929
4	AMBULANCES	3	247	3	247	3	247			3	247
5	LAW ENFORCEMENT VEHICLE	80	1,603	80	1,603	80	1,603			80	1,603
6	ARMORED SEDAN	1	232	1	232	1	232			1	232
	CARGO + UTILITY VEHICLES										
7	TRUCK, CARGO-UTILITY, 3/4T, 4X4	154	4,414	154	4,414	154	4,414			154	4,414
8	TRUCK, CARGO-UTILITY, 1/2T, 4X2	106	2,575	106	2,575	106	2,575			106	2,575
9	TRUCK, PICKUP, 1/2T, 4X2	292	4,006	292	4,006	292	4,006			292	4,006
10	TRUCK, PICKUP, COMPACT	206	2,681	206	2,681	206	2,681			206	2,681
11	TRUCK MULTI-STOP 1 TON 4X2	301	8,219	301	8,219	301	8,219			301	8,219
12	TRUCK CARRYALL	150	3,548	150	3,548	150	3,548			150	3,548
13	COMMERCIAL UTILITY CARGO VEHICLE	43	1,451	43	1,451	43	1,451			43	1,451
14	TRUCK, CARGO, M-35, SLEP		-		-	-	-				-
15	MEDIUM TACTICAL VEHICLE	21	2,594	21	2,594	21	2,594			21	2,594
16	HIGH MOBILITY VEHICLE (MYP)	100	5,165	100	5,165	100	5,165			100	5,165
17	TRUCK TRACTOR, OVER 5T	27	1,916	27	1,916	27	1,916			27	1,916
18	CAP VEHICLES		746		746		746				746
19	ITEMS LESS THAN $2,000,000		5,025		5,025		5,025		(1,400)		3,625
	SPECIAL PURPOSE VEHICLES										
20	TRUCK TANK FUEL R-11		-		-		-				-
21	HMMWV, ARMORED	125	24,181	125	24,181	125	24,181			125	24,181
22	TRACTOR, TOW, FLIGHTLINE	124	3,837	124	3,837	124	3,837			124	3,837
23	ITEMS LESS THAN $2,000,000		6,738		6,738		6,738		(544)		6,194
	FIRE FIGHTING EQUIPMENT										
24	TRUCK CRASH P-19	7	2,048	7	2,048	7	2,048			7	2,048
25	TRUCK CRASH P-23		-		-		-				-
26	HEAVY RESCUE VEHICLE		-		-		-				-
27	ITEMS LESS THAN $2,000,000		3,652		3,652		3,652				3,652
	MATERIALS HANDLING EQUIPMENT										
28	TRUCK, F/L 10,000 LB	26	1,758	26	1,758	26	1,758			26	1,758
29	60K A/C LOADER	60	83,143	60	83,143	60	83,143			60	83,143
30	NEXT GENERATION SMALL LOADER(NGSL)		-		-		-				-
31	ITEMS LESS THAN $2,000,000		2,148		2,148		2,148				2,148

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	BASE MAINTENANCE SUPPORT										
32	TRUCK, DUMP 5CY	32	2,087	32	2,087	32	2,087			32	2,087
33	MODIFICATIONS		200		200		200				200
34	ITEMS LESS THAN $2,000,000		3,833		3,833		3,833				3,833
	CANCELLED ACCOUNT ADJUSTM										
35	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-				-
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
	COMM SECURITY EQUIPMENT(COMSEC)										
36	COMSEC EQUIPMENT		27,494		27,494		27,494				27,494
37	MODIFICATIONS (COMSEC)		476		476		476				476
	INTELLIGENCE PROGRAMS										
38	INTELLIGENCE DATA HANDLING SYS		20,739		27,039		20,739		3,600		24,339
39	INTELLIGENCE TRAINING EQUIPMENT		2,473		2,473		2,473				2,473
40	INTELLIGENCE COMM EQUIP		7,644		7,644		7,644				7,644
41	ITEMS LESS THAN $2,000,000		-		-		-				-
	ELECTRONICS PROGRAMS										
42	NATIONAL AIRSPACE SYSTEM		16,615		16,615		16,615				16,615
43	THEATER AIR CONTROL SYS IMPROVEMENT		38,329		38,329		38,329				38,329
44	WEATHER OBSERV/FORCAST		18,013		22,013		18,013		4,000		22,013
45	STRATEGIC COMMAND AND CONTROL		20,505		20,505		20,505				20,505
46	CHEYENNE MOUNTAIN COMPLEX		737		737		737				737
47	TAC SIGINT SUPPORT		4,114		9,114		4,114		2,000		6,114
48	DRUG INTERDICTION PROGRAM		-		-		-				-
	SPECIAL COMM-ELECTRONICS PROJECTS										
49	AUTOMATIC DATA PROCESSING EQUIP		36,105		36,105		36,105				36,105
50	AF GLOBAL COMMAND & CONTROL SYS		7,319		7,319		7,319				7,319
51	MOBILITY COMMAND AND CONTROL		6,728		6,728		6,728				6,728
52	AIR FORCE PHYSICAL SECURITY SYSTEM		15,112		15,112		15,112				15,112
53	COMBAT TRAINING RANGES		13,272		13,272		13,272				13,272
54	MINIMUM ESSENTIAL EMERGENCY COMM NET		3,488		3,488		3,488				3,488
55	FORCE PROTECTION/ANTI-TERRORISM		54,439		54,439		54,439				54,439
56	C3 COUNTERMEASURES		14,904		14,904		14,904		(1,900)		13,004
57	JOINT SURVEILLANCE SYSTEM		-		-		-				-
58	BASE LEVEL DATA AUTO PROGRAM		46,778		46,778		46,778				46,778
59	THEATER BATTLE MGT C2 SYS		48,989		48,989		48,989				48,989
	AIR FORCE COMMUNICATIONS										
60	INFORMATION TRANSMISSION SYSTEMS		10,889		10,889		10,889				10,889
61	BASE INFORMATION INFRASTRUCTURE		88,945		88,945		88,945				88,945

TITLE I - PROCUREMENT
(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
62	USCENTCOM		4,031		4,031		4,031				4,031
63	AUTOMATED TELECOMMUNICATIONS PRG		15,900		15,900		15,900				15,900
	DISA PROGRAMS										
64	DEFENSE SUPPORT PROGRAM SPACE		-		-		-				-
65	NAVSTAR GPS SPACE		3,129		3,129		3,129				3,129
66	DEFENSE METEOROLOGICAL SAT PROG SPAC		11,898		11,898		11,898				11,898
67	NUDET DETECTION SYS (NDS) SPACE		7,995		7,995		7,995				7,995
68	AF SATELLITE CONTROL NETWORK SPACE		32,197		23,197		32,197		(9,100)		23,097
69	EASTERN/WESTERN RANGE I&M SPACE		81,957		81,957		81,957				81,957
70	MILSATCOM SPACE		20,353		20,353		20,353				20,353
71	SPACE MODS SPACE		18,932		18,932		18,932				18,932
	ORGANIZATION AND BASE										
72	TACTICAL C-E EQUIPMENT		16,968		16,968		54,968		18,000		34,968
73	COMBAT SURVIVOR/EVADER LOCATER RADIO		5,731		5,731		5,731				5,731
74	RADIO EQUIPMENT		12,844		19,344		12,844		6,500		19,344
75	TV EQUIPMENT (AFRTV)		2,112		2,112		2,112				2,112
76	CCTV/AUDIOVISUAL EQUIPMENT		3,969		3,969		3,969				3,969
77	BASE COMM INFRASTRUCTURE		30,874		30,874		30,874				30,874
78	CAP COM & ELECT		387		387		387				387
79	ITEMS LESS THAN $2,000,000		8,960		8,960		8,960				8,960
	MODIFICATIONS										
80	COMM ELECT MODS		53,260		53,260		53,260				53,260
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP										
	TEST EQUIPMENT										
81	BASE/ALC CALIBRATION PACKAGE		10,468		10,468		10,468				10,468
82	PRIMARY STANDARDS LABORATORY PACKAGE		1,665		1,665		1,665				1,665
83	ITEMS LESS THAN $2,000,000		9,627		9,627		9,627				9,627
	PERSONAL SAFETY AND RESCUE EQUIP										
84	NIGHT VISION GOGGLES		2,371		2,371		2,371				2,371
85	BREATHING APPARATUS TWO HOUR		-		-		-				-
86	UNIVERSAL WATER ACTIVATED REL SYS		-		-		-				-
87	ITEMS LESS THAN $2,000,000		3,509		3,509		3,509				3,509
	DEPOT PLANT + MATERIALS HANDLING EQ										
88	MECHANIZED MATERIAL HANDLING EQUIP		10,747		10,747		10,747				10,747
89	ITEMS LESS THAN $2,000,000		3,980		3,980		3,980				3,980
	ELECTRICAL EQUIPMENT										
90	GENERATORS-MOBILE ELECTRIC		3,692		3,692		3,692				3,692
91	FLOODLIGHTS SET TYPE NF2D		7,696		7,696		7,696		(1,500)		6,196

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
92	ITEMS LESS THAN $2,000,000		3,968		3,968		3,968				3,968
	BASE SUPPORT EQUIPMENT										
93	BASE PROCURED EQUIPMENT		6,855		6,855		6,855				6,855
94	MEDICAL/DENTAL EQUIPMENT		13,295		13,295		13,295		(2,600)		10,695
95	ENVIRONMENTAL PROJECTS		1,000		1,000		1,000				1,000
96	AIR BASE OPERABILITY		4,214		4,214		4,214				4,214
97	PALLET AIR CARGO		1,189		1,189		1,189				1,189
98	NET ASSEMBLY, 108"X88"		2,998		2,998		2,998				2,998
99	BLADDERS FUEL		2,749		2,749		2,749				2,749
99a	ABOVE-GROUND FUEL STORAGE TANKS				2,000						-
100	AERIAL BULK FUEL DELIVERY SYSTEM		2,097		2,097		2,097				2,097
101	PHOTOGRAPHIC EQUIPMENT		6,063		6,063		6,063				6,063
102	PRODUCTIVITY INVESTMENTS		5,980		5,980		5,980				5,980
103	MOBILITY EQUIPMENT		26,524		26,524		26,524				26,524
104	DEPLOYMENT/EMPLOYMENT CONTAINERS		2,013		2,013		2,013				2,013
105	SPATIAL DISORIENTATION DEMONSTRATOR		-		-		-				-
106	AIR CONDITIONERS		9,627		9,627		9,627				9,627
107	ITEMS LESS THAN $2,000,000		9,731		9,731		9,731				9,731
	SPECIAL SUPPORT PROJECTS										
108	INTELLIGENCE PRODUCTION ACTIVITY		60,572		65,572		63,672		(10,500)		50,072
109	TECH SURV COUNTERMEASURES EQ		1,998		1,998		1,998				1,998
110	DARP		-		-		-				-
111	DARP RC135		12,778		47,778		12,778				12,778
112	DARP, MRIGS		66,279		66,279		66,279				66,279
113	SELECTED ACTIVITIES		5,003,960		4,939,710		5,200,060		12,100		5,016,060
114	SPECIAL UPDATE PROGRAM		174,830		174,830		174,830				174,830
115	INDUSTRIAL PREPAREDNESS		1,243		1,243		1,243				1,243
116	MODIFICATIONS		193		193		193				193
117	FIRST DESTINATION TRANSPORTATION		15,351		91,631		15,351				15,351
	SPARE AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
118	SPARES AND REPAIR PARTS		55,771		55,771		55,771				55,771
	Civil Air Patrol										
119	ADVISORY AND ASSISSTANCE SERVICES				(53,987)				(11,329)		(11,329)
	ECONOMIC ASSUMPTIONS								(25,000)		(25,000)
	TOTAL OTHER PROCUREMENT, AIR FORCE		6,561,253		6,574,096		6,798,453		(17,673)		6,543,580

Theater deployable communications

The budget request included $17.0 million for the procurement of tactical communications and electronics equipment.

The House bill would authorize an increase of $25.0 million for theater deployable communications equipment as part of its National Guard and Reserve Equipment package.

The Senate amendment would authorize an increase $38.0 million for theater deployable communications equipment.

The conferees agree to authorize an increase of $18.0 million for procurement of theater deployable communications equipment.

Overview

The budget request for fiscal year 1998 contained an authorization of $1,695.1 million for Defense-wide Procurement in the Department of Defense. The House bill would authorize $1,837.0 million. The Senate amendment would authorize $1,749.3 million. The conferees recommended an authorization of $2,057.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT
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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT, DEFENSE-WIDE										
	MAJOR EQUIPMENT										
	MAJOR EQUIPMENT, OSD/WHS										
1	MOTOR VEHICLES		-		-		-				
2	MAJOR EQUIPMENT, OSD		104,601		104,601		104,601				104,601
3	MAJOR EQUIPMENT, WHS		18,956		18,956		18,956				18,956
4	ARMED FORCE INFORMATION SERVICE		8,037		8,037		8,037				8,037
5	DEPARTMENT OF DEFENSE EDUCATION ACTIVITY		1,609		1,609		1,609				1,609
6	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION		688		688		688				688
7	DARP		97,452		97,452		102,452				97,452
8	CORPORATE INFORMATION MANAGEMENT		-		-		-				
	MAJOR EQUIPMENT, NSA										
10	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		14,380		47,684		14,380				14,380
	MAJOR EQUIPMENT, DSWA										
11	VEHICLES		218		218		218				218
12	OTHER MAJOR EQUIPMENT		17,199		17,199		17,199				17,199
	MAJOR EQUIPMENT, DISA										
13	WWMCCS ADP SYSTEMS		3,748		3,748		3,748				3,748
14	MOBILE SATELLITE SYSTEM TECHNOLOGIES		9,990		9,990		9,990				9,990
15	INFORMATION SYSTEMS SECURITY		19,585		69,585		19,585				19,585
16	CONTINUITY OF OPERATIONS		4,637		4,637		4,637				4,637
17	JOINT C4ISR		-		-		-				-
18	DEFENSE MESSAGE SYSTEM		44,470		44,470		44,470				44,470
19	GLOBAL COMBAT SUPPORT SYSTEM		5,889		5,889		5,889				5,889
20	PLANS & PROGRAM ANALYSIS SUPPORT CENTER		3,900		3,900		3,900				3,900
21	ITEMS LESS THAN $2 MILLION		7,461		7,461		7,461		7,200		14,661
22	DRUG INTERDICTION SUPPORT		-		-		-				
	MAJOR EQUIPMENT, DIA										
	MAJOR EQUIPMENT, DLA										
24	DEFENSE SUPPORT ACTIVITIES		21,814		21,814		21,814				21,814
24a	AUTOMATED DOCUMENT CONVERSION SYSTEM				30,000				20,000		20,000
24b	ALL-TORSO BODY ARMOR				30,000						-
	MAJOR EQUIPMENT, DMA										
25	AUTOMATED INFORMATION SYSTEM EQUIPMENT		-		-		-				-
26	VEHICLES		-		-		-				-
27	OTHER CAPITAL EQUIPMENT		-		-		-				-
	MAJOR EQUIPMENT, DIS										
28	VEHICLES	258	3,100	258	3,100	258	3,100			258	3,100

TITLE I - PROCUREMENT
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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
29	OTHER CAPITAL EQUIPMENT		1,837		1,837		1,837				1,837
	MAJOR EQUIPMENT, DCAA										
30	ITEMS LESS THAN $2 MILLION		3,786		3,786		3,786				3,786
	MAJOR EQUIPMENT, DSPO										
31	MAJOR EQUIPMENT , DSPO		19,334		14,334		19,334				19,334
	MAJOR EQUIPMENT, TJS										
32	MAJOR EQUIPMENT, TJS		46,847		46,847		46,847		(10,000)		36,847
	ON-SITE INSPECTION AGENCY										
33	VEHICLES		-		-		-				-
34	OTHER CAPITAL EQUIPMENT		112		112		112				112
	BALLISTIC MISSILE DEFENSE ORGANIZATION										
35	PATRIOT PAC-3		-		-		-	52	349,109	52	349,109
36	C4I		-		-		-				-
37	HAWK BN/C3 MODS		-		-		-				-
38	NAVY AREA TBDM PROGRAM		-		-		-		15,400		15,400
38a	BMC3		-		-		-		20,100		20,100
	CENTRAL IMAGERY OFFICE										
	NATIONAL IMAGERY AND MAPPING AGENCY										
	DEFENSE COMMISSARY AGENCY, DECA										
41	EQUIPMENT		1,970		1,970		1,970				1,970
	SPECIAL OPERATIONS COMMAND										
	AVIATION PROGRAMS										
42	RADIO FREQUENCY MOBILE ELECTRONIC TEST SET		-		-		-				-
43	SOF ROTARY WING UPGRADES		36,042		36,042		76,542				36,042
44	SOF TRAINING SYSTEMS		3,352		3,352		3,352				3,352
45	MC-130H COMBAT TALON II		34,656		34,656		34,656				34,656
46	AC-130U GUNSHIP ACQUISITION		55,105		55,105		55,105				55,105
47	C-130 MODIFICATIONS		96,592		96,592		96,592				96,592
47	LESS: ADVANCE PROCUREMENT (PY)		-		-		-				-
48	OH-6 PROCUREMENT & MODIFICATIONS		7,997		7,997		7,997				7,997
49	AIRCRAFT SUPPORT		3,041		3,041		3,041				3,041
	SHIPBUILDING										
50	PC,CYCLONE CLASS		-		-		-				-
51	ADVANCED SEAL DELIVERY SYSTEM (ASDS)		43,200		43,200		43,200		(34,300)		8,900
51	LESS: ADVANCE PROCUREMENT (PY)		(4,400)		(4,400)		(4,400)				(4,400)
52	ADVANCE PROCUREMENT (CY)		2,465		2,465		2,465		(2,100)		365
53	MK VIII MOD 1 - SEAL DELIVERY VEHICLE	3	2,229	3	2,229	3	2,229			3	2,229
54	SUBMARINE CONVERSION		20,043		20,043		20,043				20,043

TITLE I - PROCUREMENT
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Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
54	LESS: ADVANCE PROCUREMENT (PY)		(2,886)		(2,886)		(2,886)				(2,886)
55	ADVANCE PROCUREMENT (CY)		-		-		-				-
56	MK V SPECIAL OPERATIONS CRAFT (MK V SOC)	6	36,402	6	36,402	6	36,402			6	36,402
	AMMUNITION PROGRAMS										
57	SOF ORDNANCE ACQUISITION		17,202		17,202		17,202				17,202
58	SOF ORDNANCE REPLENISHMENT		33,379		33,379		35,379				33,379
58a	REMOTE ACTIVATION MUNITION SYSTEMS		-		-				1,000		1,000
	OTHER PROCUREMENT PROGRAMS										
59	LIGHT STRIKE VEHICLE		-		-		-				-
60	MARITIME EQUIPMENT MODIFICATIONS		9,807		9,807		9,807				9,807
61	NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT		18,121		18,121		18,121				18,121
62	SPARES AND REPAIR PARTS		42,538		42,538		42,538				42,538
63	COMM EQUIPMENT & ELECTRONICS		57,406		57,406		57,406				57,406
64	SOF INTELLIGENCE SYSTEMS		21,175		21,175		23,175		2,000		23,175
65	SOF SMALL ARMS & WEAPONS		10,269		10,269		12,669		1,000		11,269
66	SOF MARITIME EQUIPMENT		598		598		598				598
	SOLDIER ENHANCEMENT PROGRAM				-		-				-
67	DRUG INTERDICTION		-		-		-				-
68	ANTI-TERRORISM/COUNTER-TERRORISM		-		-		-				-
69	MISCELLANEOUS EQUIPMENT		5,646		5,646		5,646				5,646
70	SOF PLANNING AND REHEARSAL SYSTEM (SOFPARS)		568		568		568				568
71	CLASSIFIED PROGRAMS		108,339		108,339		112,539		4,200		112,539
72	PSYOP EQUIPMENT		10,280		10,280		10,280				10,280
	CHEMICAL/BIOLOGICAL DEFENSE										
	CBDP										
73	PROTECTIVE MASK		-		-		-				-
74	INDIVIDUAL PROTECTION		64,855		64,855		64,855				64,855
75	DECONTAMINATION		24		24		24				24
76	IMPROVED CHEM AGENT MONITOR (ICAM)		-		-		-				-
77	NBC RECON SYS (NBCRS) MODS		-		-		-				-
78	M17 DECON MODS		-		-		-				-
79	POCKET RADIAC AN/UDR - 13		-		-		-				-
80	REMOTE CHEM AGT ALARM (RSCAAL)		-		-		-				-
81	JOINT BIO DEFENSE PROGRAM		65,432		65,432		65,432				65,432
82	COLLECTIVE PROTECTION		17,316		17,316		17,316				17,316
83	CB PROTECTIVE SHELTER (CBPS)		-		-		-				-
84	CONTAMINATION AVOIDANCE		62,383		62,383		62,383				62,383
85	JOINT BIO DEFENSE PRGM		-		-		-				-

TITLE I - PROCUREMENT

(Dollars In Thousands)

Line No.		FY 98 Request Qty	FY 98 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
86	CHME/BIO DEFENSE EQ (AF)		-		-		-				-
87	CHEM WARFARE DETECTORS		-		-		-				-
	DEFENSE-WIDE										
	DEFENSE-WIDE										
88	DEFENSE-WIDE PROGRAM		-		-		-				-
999	CLASSIFIED PROGRAMS		354,289		359,289		352,389		750		355,039
89	ADVISORY AND ASSISTANCE SERVICES				(1,400)				(294)		(294)
	ECONOMIC ASSUMPTIONS								(12,000)		(12,000)
	TOTAL, PROCUREMENT, DEFENSE-WIDE		1,695,085		1,836,989		1,749,285		362,065		2,057,150

Automated document conversion system

The budget request included no funds for the automated document conversion system (ADCS).

The House bill would authorize $30.0 million for ADCS.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $20.0 million for ADCS.

Advanced SEAL delivery system

The budget request included $43.2 million for the special operations Advanced SEAL Delivery System program.

The House bill and Senate amendment would authorize the budget request.

The conferees agree to a total authorization of $8.9 million and the transfer of $34.3 million to PE 116404BB, as discussed in Title II of this conference agreement.

Night firing scopes

The budget request included $10.3 million for special operations small arms procurement.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $2.4 million for night vision scopes for the M4 carbine.

The conferees agree to authorize an increase of $1.0 million for night vision scopes.

Overview

The budget request for fiscal year 1998 contained no authorization for National Guard and Reserve Procurement in the Department of Defense. The House bill would authorize $700.4 million. The Senate amendment would authorize $653.0 million. The conferees recommended an authorization of $643.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Overview

The conferees recognize the increasingly critical role that reserve component forces play in worldwide deployments and are concerned about current and prior year levels of funding for reserve component modernization. It is essential that both active and reserve component leadership work together to identify total force modernization requirements and ensure that these requirements are funded. The conferees strongly encourage the Department of Defense to work closely with each of the military departments to ensure the modernization of the reserve components.

The budget request included $968.5 million, as shown in the table below, for National Guard and Reserve equipment.

National Guard and Reserve Equipment and Aircraft

	Millions
Procurement of WTCV, Army	$22.1
Procurement of Ammunition, Army	143.8
Other Procurement, Army	382.9
Aircraft Procurement, Navy	35.1
Procurement of Ammunition (Navy & Marine Corps)	6.0
Other Procurement, Navy	3.9
Procurement, Marine Corps	17.9
Aircraft Procurement, Air Force	238.2
Procurement of Ammunition, Air Force	29.5
Other Procurement, Air Force	89.2
Department of Defense total	968.5

The conferees agree to authorize funding increases for reserve component programs as follows:

	Millions
UH–60 Blackhawk	$89.0
M109A6 Paladin	56.0
Field Artillery Ammunition Support Vehicles	40.0
Heavy Equipment Transporter vehicles	45.0
Bradley Fighting Vehicle upgrades	95.0
Theater Deployable Communications	18.0
Airborne Mine Counter-Measure equipment	7.5
KC–135 re-engining	52.0
F–16 Improved Avionics Intermediate Shop	16.0
C–130 aircraft	433.4
Total increase	851.9

Additionally, the conferees agree to authorize an increase of $365.0 million to the budget request for National Guard and Reserve miscellaneous equipment:

	Millions
Army Reserve Miscellaneous	$75.0
Navy Reserve Miscellaneous	80.0
Marine Corps Reserve Miscellaneous	65.0
Air Force Reserve Miscellaneous	50.0
Army National Guard Miscellaneous	70.0
Air National Guard Miscellaneous	25.0
Total Miscellaneous equipment	365.0

The conferees direct that the miscellaneous funding be allocated exclusively by reserve component chiefs and that reserve component chiefs give priority consideration to the following items: medium truck extended service programs; carrier modifications; CH–47 helicopters; multiple launch rocket systems; Avenger air defense systems (including table top trainers); training simulator devices; night vision equipment; mobile backscatter truck inspection system; heavy expanded mobility tactical truck (HEMTT) wrecker; HEMTT fuel tanker conversion kit; all terrain crane (20 ton); Atlas 10K variable reach forklift; barge derrick; reverse osmosis water purification unit, 3 thousand gallons per hour; 5KW generator set; MK–19 grenade machine gun; F/A–18 modifications; C–9 replacement aircraft; SH–60B Seahawk helicopter; mobile inshore underwater van upgrades; logistics vehicle system (LVS); MK 48 front power unit; LVS rear body units; F/A–18+ modifications; CH–53E helicopters; F–16 situational awareness data link; F–16 laser designator/targeting pods; A–10 situational awareness data link; A–10 electronic warfare management system; F–16 upgraded data transfer unit; HH–60 helicopter self protection system; F–16 electronic warfare management system; ALQ–131 multiplexer bus interface; C–130 integrated electronic warfare suite; enhanced flightline security systems; combat arms training equipment; C–5 simulator; vibration management enhancement program; 5 ton truck; maneuver control system; CH–47D full authority digital engine control; small arms engagement skills trainers; CH–47D fuel cells; M917 dump trucks; B–1 enhancements; F–16/A–10 digital transfer cartridge; and F–16 C/D onboard oxygen generating system.

Funding allocated by reserve component chiefs for miscellaneous equipment must meet the following criteria:

(1) there is a requirement for the equipment that has been validated by the Joint Requirements Oversight Council;

(2) that such equipment is included for reserve component modernization in the future-years defense program;

(3) that such equipment is consistent with the use of reserve component forces called for in Department warplans; and

(4) the funds can be obligated during the fiscal year for which funds have been authorized and appropriated.

Overall, the conferees agree to authorize a total of $2.2 billion for National Guard and Reserve equipment and aircraft.

Overview

The budget request for fiscal year 1998 contained an authorization of $620.7 million for Chemical Agent and Munitions Destruction, Army in the Department of Defense. The House bill would authorize $610.7 million. The Senate amendment would authorize $614.7 million. The conferees recommended an authorization of $600.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE I - PROCUREMENT

(Dollars In Thousands)

	FY 98 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
CHEM AGENTS & MUNITIONS DESTRUCTION, DEF										
CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E										
RESEARCH AND DEVELOPMENT										
CHEM DEMILITARIZATION - RDTE		66,300		56,300		70,300				66,300
CHEM AGENTS & MUNITIONS DESTRUCT-PROC										
PROCUREMENT										
CHEM DEMILITARIZATION - PROC		82,200		82,200		77,200		(10,000)		72,200
CHEM AGENTS & MUNITIONS DESTRUCT-O&M										
OPERATION AND MAINTENANCE										
CHEM DEMILITARIZATION - O&M		472,200		472,200		467,200		(10,000)		462,200
TOTAL CHEM AGENTS & MUNITIONS DESTRUCTION, DEF		620,700		610,700		614,700		(20,000)		600,700

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Chemical agents and munitions destruction program (sec. 107)

The budget request included $620.7 million for the defense chemical agents and munitions destruction program, to include: $472.2 million for operation and maintenance; $82.2 million for procurement; and $66.3 million for research and development. Additionally, the budget request included $131.6 million for military construction.

The House bill contained a provision (sec. 107) that would authorize $610.7 million for the chemical agents and munitions destruction program.

The Senate amendment contained a provision (sec. 107) that would authorize $614.7 million for the chemical agents and munitions destruction program, including an increase of $4.0 million for research and development to expedite and accelerate the development and fielding of critical advanced sensors that are part of the Army's mobile munitions assessment system.

The Senate recedes with an amendment.

The conferees agree to a provision (sec. 107) that would authorize $600.7 million for the defense chemical agents and munitions destruction program, to include: $72.2 million for procurement; $462.2 million for operation and maintenance; and $66.3 million for research and development. Of the amount authorized for research and development, $4.0 million shall be available to expedite and accelerate the development and fielding of critical advanced sensors that are part of the Army's mobile munitions assessment system.

Conduct of the chemical agents and munitions destruction program

Section 152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106), directed the Secretary of Defense to conduct an assessment of the chemical stockpile disposal program and to consider measures that could be taken to reduce program costs, while continuing to ensure the maximum protection of the public, the workers, and the environment. Section 152 also required the Secretary to report the results of the assessment to the Congress with the submission of the fiscal year 1998 defense budget request. Consideration of the use of alternative demilitarization technologies (other than incineration) was to be specifically addressed.

The conferees support the Department of Defense (DOD) position and the National Research Council recommendation that the Army proceed with the current baseline incineration program until the evaluation of alternative chemical munitions destruction technologies is concluded. The conferees note the progress made in chemical demilitarization operations at Johnston Atoll and Tooele, Utah, the approval of environmental permits, and the award of the chemical demilitarization facility construction contract at Umatilla, Oregon, and the status of the environmental permitting process for the chemical demilitarization sites at Anniston, Alabama, and Pine Bluff Arsenal, Arkansas.

The conferees support the Department's decision to continue efforts to develop chemical neutralization technologies for destruction of the chemical agents at the bulk-only chemical storage sites. The conferees urge the appropriate and expeditious pursuit of any necessary National Environmental Policy Act (NEPA) analysis of the research and development efforts to support pilot testing of these alternative technologies for use at Aberdeen Proving Ground, Maryland, and Newport Chemical Depot, Indiana.

The conferees also agree with plans by the Department to assess the feasibility of alternative technologies for destruction of lethal chemical agents associated with assembled chemical munitions and would support the demonstration of those alternatives deemed feasible for potential use at the chemical demilitarization sites at Pueblo, Colorado, and Lexington-Blue Grass Army Depot, Kentucky. As required by Section 142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201), the conferees expect the Secretary of Defense to submit a report to the Congress by December 31, 1997, that identifies the status of the assessment, the technologies that appear to be feasible, the plans for further assessment and demonstration of these technologies, and the potential impact on the cost and schedule for completion of destruction operations at Pueblo and Lexington-Blue Grass.

The conferees understand that a major aspect of the chemical non-stockpile materiel project is the development of a system for disposal of the chemical agent identification kits, which have been classified as chemical weapons/agents for the purpose of the chemical disposal program, rather than hazardous waste. The conferees direct the Secretary of Defense to conduct an assessment of its policy, which includes chemical agent identification kits in the chemical agent demilitarization program, the current plans for disposal, and the potential changes in policy and disposal alternatives that could result in significant reductions in the cost of the non-stockpile program with no reduction in overall program safety. The assessment shall be conducted in coordination with the National Research Council. The results of the assessment and the Secretary's decision should be provided to the congressional defense committees by March 31, 1998.

Chemical stockpile emergency preparedness program (CSEPP)

The conferees note the actions taken by the DOD and the Army to improve management of the chemical weapons demilitarization program and to make the program more responsive to community concerns. The conferees believe that the Army and the DOD must continue to emphasize the involvement of the communities with chemical stockpile storage sites that are part of the program's decision-making process. The conferees also note progress in improving emergency preparedness planning and preparations by both states and local communities near the chemical stockpile storage sites, but believe that continued effort is required.

Section 1076(a) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) directed the Secretary of the Army to submit a report to the Congress that would assess the successful implementation of site specific integrated product and process teams (IPT) as a management tool for the chemical stockpile emergency preparedness program (CSEPP). On July 9, 1997, the Secretary of Defense advised the Congress that the Army and the Federal Emergency Management Agency (FEMA) had reached an agreement on the implementation and establishment of the site-specific IPTs, and advised the Congress of changes in the management of the CSEPP. The conferees understand that under the terms of the agreement between the Army and FEMA, the State and local community governments would be given the flexibility they need to implement the emergency preparedness program. Under the agreement, funding for, and the conduct of on-post emergency preparedness and technical support for on-post and off-post emergency preparedness will remain the responsibility of the Army. FEMA will assume responsibility and accountability for working with State and local governments to enhance the required off-site emergency preparedness capabilities within established resources. The conferees are aware that the Director of FEMA intends to empower the FEMA regional offices with the primary responsibility and accountability for working with the State and local communities, and to restructure FEMA headquarters operations to create a more efficient and cost-effective management structure.

The conferees understand that the Army and FEMA believe that legislative authority is necessary to codify the agreement between the Army and FEMA. The conferees note that FEMA already possesses considerable authority for off-site emergency preparedness under existing law and that the fiscal year 1998 budget contained no formal proposal to establish a separate defense-related activities program account for FEMA. The conferees direct the Secretary of Defense to submit any proposed legislative changes and the budget for the CSEPP in the fiscal year 1999 DOD budget request. The congressional defense committees will review any proposed legislation and the budget request for CSEPP during consideration of the fiscal year 1999 budget request, as well as progress made in emergency preparedness, the implementation of the site-specific IPT, and the working relationships among Federal, State, and local authorities involved in the CSEPP.

Subtitle B—Army Programs

Army helicopter modernization plan (sec. 111)

The Senate amendment contained a provision (sec. 111) that would require the Army to provide a plan to the Congress that would address current and future helicopter modernization requirements and proposed funding. Specifically, the provision would require the Army to report on the following:

(1) A detailed assessment of the Army's present and future helicopter inventory, including number of aircraft, age of aircraft, availability of spare parts, flight hour costs, roles and functions assigned to the fleet as a whole and to its individual types of aircraft, and the mix of active component and reserve component aircraft in the fleet;

(2) Estimates and analysis of requirements and funding proposed for procurement of new aircraft;

(3) An analysis of requirements and funding proposed for extended service plans or service life extension plans for fleet aircraft;

(4) A plan for retiring aircraft no longer required or capable of performing assigned functions, including a discussion of opportunities to eliminate older aircraft models and to focus future funding on current or future generation aircraft;

(5) The implications of the plan for the defense industrial base;

The provision would require the Secretary of the Army to certify that the plan would be funded in the Future Years Defense Program submitted to Congress in Fiscal Year 1998 and would limit the obligation of funds to no more than 25 percent of the amounts authorized to be appropriated for helicopter modifications or upgrades until 30 days after the aircraft modernization plan is provided to the congressional defense committees.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the obligation of funds to 80 percent of funds authorized for helicopter modifications and would require the Secretary of the Army to design the plan so that it could be funded within the funding levels expected to be available for Army aircraft programs in the next Future Years Defense Program.

Multiyear procurement authority for specified Army programs (sec. 112)

The Senate amendment contained a provision (sec. 112) that would authorize the Secretary of the Army to enter into a multiyear

procurement contract, beginning with fiscal year 1998, for the procurement of the AH–64D fire control radar system. The Senate amendment contained an additional provision (sec. 113) that would authorize the Secretary of the Army to enter into a multiyear procurement contract, beginning with fiscal year 1998, for the procurement of trucks associated with the family of medium tactical wheeled vehicles.

The House bill contained no similar provisions.

The House recedes.

M113 vehicle modifications (sec. 113)

The conferees agree to a legislative provision (sec. 113) that would make available $35.2 million only for procurement and installation of A3 upgrade kits for the M113 vehicle.

Subtitle C—Navy Programs

New Attack Submarine program (sec. 121)

The budget request included $284.8 million for advance procurement of components for future nuclear attack submarines, and proposed a change in the acquisition strategy contained in the National Defense Authorization Act for Fiscal Year 1997 that directed competition between two submarine shipbuilders. The proposed change in strategy includes a contractor teaming agreement to build the first four new attack submarines.

The House bill authorized the budget request and contained no provision on submarine teaming.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary of the Navy to enter into a contract or contracts for the construction of four nuclear attack submarines under the terms of a teaming arrangement between Electric Boat and Newport News Shipbuilding.

The House recedes.

CVN-77 nuclear aircraft carrier program (sec. 122)

The budget request included no funding for CVN-77.

The House bill would authorize the budget request.

The Senate amendment contained a provision (sec. 122) that would:

(1) authorize $345.0 million for procurement and construction of components for the CVN-77 aircraft carrier and authorize the Secretary of the Navy to enter into a contract or contracts with the carrier shipbuilder for such purposes;

(2) authorize $35.0 million for research, development, test, and evaluation of technologies that have potential for use in the CVN-77; and

(3) direct the Secretary to structure the procurement of the CVN-77 so that the carrier is acquired for an amount not to exceed $4.6 billion, with allowances for adjustments to this amount due to:

(a) outfitting and post delivery costs,

(b) inflation occurring after or compliance with changes in Federal, state, or local laws enacted after September 30, 1997,

(c) increases or decreases in costs attributable to new technology built into CVN-77 as compared to the technology built into the baseline design of the CVN-76, and

(d) increases or decreases in costs resulting from changes the Secretary proposes in the funding plan of the so-called Smart Buy proposal on which the projected savings are based.

The House recedes with an amendment which would:

(1) authorize the Secretary of the Navy to procure the CVN-77 subject to the availability of appropriations for that purpose;

(2) authorize $50.0 million for advance procurement and advance construction of components for the CVN-77 and authorize the Secretary of the Navy to enter into a contract or contracts for such purposes;

(3) permit the Secretary of Defense to transfer up to $295.0 million to the CVN-77 program and allow this transfer to be made in addition to the transfer authority limit provided for elsewhere in the National Defense Authorization Act for Fiscal Year 1998;

(4) direct the Secretary of the Navy to obligate and expend the funds available for advance procurement and advance construction of carrier components for the CVN-77 in fiscal year 1998 in a manner that is designed to result in cost savings that will meet a cost limitation of $4.6 billion for the procurement of that vessel;

(5) direct the Secretary of Defense to make plans to attain the cost savings in the funding plan presented to Congress by the ship builder in March 1997; and

(6) direct the Secretary of the Navy to structure and manage the CVN-77 procurement program so that the $4.6 billion cost limitation is not exceeded, except for adjustments to this amount resulting from:

(a) outfitting and post delivery costs,

(b) inflation occurring after or compliance with changes in Federal, state, or local laws enacted after September 30, 1997,

(c) increases or decreases in costs attributable to new technology built into CVN-77 as compared to the technology built into the baseline design of the CVN-76, and

(d) increases or decreases in costs resulting from changes the Secretary proposes in the funding plan on which the projected savings are based.

The conferees support construction of the CVN-77 and believe that initiating advance procurement for it in fiscal year 1998, rather than in fiscal year 2000 as currently projected in the Future Years Defense Program (FYDP), has the potential to produce considerable savings if additional funds are provided in fiscal years 1998 through 2001. Therefore, the conferees strongly encourage the Secretary of Defense to make available up to $295.0 million in fiscal year 1998 and to include in the FYDP accompanying the fiscal year 1999 budget request the funding necessary to achieve the savings required to remain within the $4.6 billion cost limitation.

Exclusion from cost limitation for Seawolf submarine program (sec. 123)

The Senate amendment contained a provision (sec. 123) that would reaffirm the existing cost cap for Seawolf submarines but would make it clear that certain costs associated with now canceled Seawolf submarines should not be taken into account.

The House bill contained no similar provision.

The House recedes with an amendment that would exclude from the cost limitation for the Seawolf submarine program $272.4 million initial class design costs that were previously allocated to other canceled ships in the class. The amendment would also require the Inspector General of the Department of Defense to determine whether:

(1) the request of the Secretary of the Navy for exclusion of $745.4 million of the costs associated with canceled submarines is justified; and

(2) any further exclusions from or increases to the cost cap will be required.

The Inspector General shall report the findings to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than March 30, 1998.

Subtitle D—Air Force Programs

Authorization for B–2 bomber program (sec. 131)

The budget request included $174.1 million for modification of aircraft on order or already in the inventory to the Block 30 configuration.

The House bill would authorize an increase of $331.2 million for long lead funding for an additional nine aircraft above the 21 already authorized.

The Senate amendment would authorize the budget request and included a provision (sec. 131) that would prohibit the use of any funds to procure any additional B–2 bomber aircraft or to maintain any part of bomber industrial base solely for the purpose of preserving the option to procure additional B–2 bomber aircraft in the future.

The Senate recedes with an amendment.

The conferees agree to authorize $331.2 million to be used either for long lead activities related to the procurement of additional B–2 aircraft, or for modification and repair of the existing fleet of B–2 bomber aircraft, depending on the President's determination of the requirement for additional B–2 aircraft.

The provision would also direct the Secretary of Defense to ensure that all appropriate actions are taken to preserve the options of the President until submission of the report required by section 8131 of the Department of Defense Appropriations Act for fiscal year 1998.

ALR radar warning receivers (sec. 132)

The Senate amendment contained a provision (sec. 132) that would require a study of the comparative effectiveness of upgrading the ALR-69 radar warning receiver and further acquisition of the ALR-56M radar warning receiver.

The House bill contained no similar provision.

The House recedes.

Analysis of requirements for replacement of engines on military aircraft derived from Boeing 707 aircraft (sec. 133)

The Senate amendment contained a provision (sec. 142) that would require a study of re-engining priorities, options, and benefits for military aircraft derived from Boeing 707 type aircraft.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the requirements for the study.

Subtitle E—Other Matters

Pilot program on sales of manufactured articles and services of certain army industrial facilities without regard to availability from domestic sources (sec. 141)

The Senate amendment contained a provision (sec. 143) that would authorize Army industrial facilities to sell articles or services to an entity that will incorporate those articles or services into a weapon system to be procured by the Department of Defense or will use those articles or services to manufacture weapon systems that will be ultimately procured by the Department of Defense.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize a two-year pilot program for not more than three facilities and require a review by the Inspector General of the Department of Defense.

NATO Joint Surveillance/Target Attack Radar System (sec. 142)

The Senate amendment contained a provision (sec. 144) that would allow the Secretary of Defense to initiate contracts for Phase I of a NATO Alliance Ground Surveillance (NATO AGS) capability based on the Joint Surveillance/Target Attack Radar System (JSTARS) following the conclusion of a cooperative project agreement for a NATO AGS. The Senate amendment would also authorize the transfer of funds from U.S. JSTARS to the NATO AGS program, and

would allow for the modification of two Air Force JSTARS aircraft into a NATO configuration.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitation on obligation of funds for the Seawolf submarine program

The House bill contained a provision (sec. 121) that would prohibit the obligation of more than 50 percent of the fiscal year 1998 funds authorized and appropriated for the Seawolf submarine until the Secretary of the Navy certifies that not less than 50 percent of the New Attack Submarine technology insertion opportunities for the first four submarines were included in the Future Years Defense Program accompanying the fiscal year 1999 budget request.

The Senate amendment contained no similar provision.

Having received written assurance from the Secretary that the fiscal year 1999 budget request will comply with the provision in the House bill, the House recedes.

Reduction in authorization of appropriations

The Senate amendment contained a provision (sec. 110) that would reduce funds available to the Department of Defense for Advisory and Assistance Services by $30.0 million.

The House bill contained no similar provision.

The Senate recedes.

Airborne self-protection jammer

The Senate amendment contained a provision (sec. 124) that would place a limitation on the resumption of serial production of the Airborne Self-Protection Jammer, pending a certification by the Secretary of Defense.

The House bill contained no similar provision.

The Senate recedes.

Prohibition on use of funds for acquisition or alteration of private drydocks

The Senate amendment contained a provision (sec. 141) that would prevent the use of DOD funds for the expansion of private drydocks.

The House bill contained no similar provision.

The Senate recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Overview

The budget request for fiscal year 1998 contained an authorization of $35,934.5 million for Research and Development in the Department of Defense. The House bill would authorize $37,273.7 million. the Senate amendment would authorize $36,957.0 million. The conferees recommended an authorization of $36,537.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

RESEARCH, DEVELOPMENT, TEST & EVALUATION	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Research, Development, Test & Evaluation, Army	4,510,843	4,752,913	4,745,462	122,652	4,633,495
Research, Development, Test & Evaluation, Navy	7,611,022	7,946,996	7,812,972	163,855	7,774,877
Research, Development, Test & Evaluation, Air Force	14,451,379	14,659,736	14,302,264	(112,445)	14,338,934
Research, Development, Test & Evaluation, Defense-wide	9,069,680	9,611,013	9,796,780	476,399	9,546,079
Operational Test & Evaluation, Defense	23,384	23,384	31,384	4,000	27,384
Developmental Test & Evaluation, Defense	268,183	279,683	268,183	(10,000)	258,183
FFRDC Reduction	0	0	0	(42,000)	(42,000)
Total Research, Development, Test & Evaluation	35,934,491	37,273,725	36,957,045	602,461	36,536,952

Overview

The budget request for fiscal year 1998 contained an authorization of $4,510.8 million for Army, Research and Development in the Department of Defense. The House bill would authorize $4,752.9 million. The Senate amendment would authorize $4,745.5 million. The conferees recommended an authorization of $4,633.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL ARMY					
0601101A	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	15,113	15,113	15,113	(1,000)	14,113
0601102A	2	DEFENSE RESEARCH SCIENCES	138,165	138,165	138,665		123,298
		Gender and Racial Integration			[+500]		
		Scientific Problems with Military Applications				(4,867)	
		Program Reduction				(10,000)	
0601104A	3	UNIVERSITY AND INDUSTRY RESEARCH CENTERS	45,576	47,476	47,876		46,576
		Electromechanics and Hypervelocity Physics		[+1,900]		1,000	
		Advanced Telecommunication and Information Distribution Research Center			[+2,300]	[2,300]	
0602104A	4	TRACTOR ROSE					
0602105A	5	MATERIALS TECHNOLOGY	9,811	9,811	13,811		12,811
		Hardened Materials/Advanced Composite Shrouds			[+4,000]	3,000	
0602120A	6	SENSORS AND ELECTRONIC SURVIVABILITY	19,294	26,794	19,294		26,794
		PDCUE		[+2,500]		2,500	
		Passive MMW Camera		[+5,000]		5,000	
0602122A	7	TRACTOR HIP	7,242	7,242	7,242		7,242
0602211A	8	AVIATION TECHNOLOGY	27,282	27,282	27,282		22,982
		Program Reduction				(4,300)	
0602270A	9	EW TECHNOLOGY	16,528	16,528	16,528		16,528
0602303A	10	MISSILE TECHNOLOGY	22,335	22,335	22,335		22,335
0602308A	11	MODELING AND SIMULATION TECHNOLOGY	21,059	21,059	21,059		21,059
0602601A	12	COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	33,112	44,112	37,112		40,612
		National Automotive Center		[+3,000]	[+4,000]	4,000	
		High Output Diesel Engine		[+1,000]		1,000	
		Alternative Vehicle Propulsion		[+7,000]		2,500	
0602618A	13	BALLISTICS TECHNOLOGY	33,317	38,317	38,317		37,317
		Liquid Propellant Technology		[+5,000]	[+5,000]	4,000	
0602622A	14	CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	4,739	4,739	4,739		3,739
		Program Reduction				(1,000)	
0602623A	15	JOINT SERVICE SMALL ARMS PROGRAM	4,786	4,786	4,786		4,786
0602624A	16	WEAPONS AND MUNITIONS TECHNOLOGY	26,980	26,980	26,980		28,876

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		Program Reduction				(1,104)	
		Plastic Cased Ammunition				3,000	
0602705A	17	ELECTRONICS AND ELECTRONIC DEVICES	20,192	28,192	20,192		23,192
		Field Battery Recharging Cap (TPV)		[+5,000]		1,500	
		AAzinc battery manufacturing		[+3,000]		1,500	
0602709A	18	NIGHT VISION TECHNOLOGY	17,304	17,304	17,304		17,304
0602712A	19	COUNTERMINE SYSTEMS	10,598	13,598	10,598		10,598
		Countermine Technology		[+3,000]			
0602716A	20	HUMAN FACTORS ENGINEERING TECHNOLOGY	14,256	19,356	14,256		17,256
		Medteams		[+5,100]		3,000	
0602720A	21	ENVIRONMENTAL QUALITY TECHNOLOGY	17,519	35,119	32,219		36,519
		Computer-based Land Management Model		[+4,900]		4,000	
		Bioremediation, Education, Science, Technology (BEST) Program		[+4,000]		4,000	
		Plasma Energy Pyrolysis System (PEPS)		[+8,700]	[+8,700]	6,000	
		Radford Environmental Development (REDMAP) and Management Programs			[+6,000]	5,000	
0602782A	22	COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	16,838	16,838	16,838		16,838
0602783A	23	COMPUTER AND SOFTWARE TECHNOLOGY	679	679	679		679
0602784A	24	MILITARY ENGINEERING TECHNOLOGY	36,422	36,422	41,422		37,422
		Energy Efficient Military Applications			[+4,000]		
		Cold Weather Research			[+1,000]	1,000	
0602785A	25	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	9,014	9,014	9,314		9,014
		Gender and Racial Integration			[+300]		
0602786A	26	LOGISTICS TECHNOLOGY	17,689	17,689	17,689		17,689
0602787A	27	MEDICAL TECHNOLOGY	74,684	80,184	74,684		78,184
		Life Support for Trauma & Transport		[+1,000]			
		Persian Gulf Illness Clinical trials		[+4,500]			
		Nuitrition Research				3,500	
0602789A	28	ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	1,255	1,255	1,255		1,255
0603001A	29	LOGISTICS ADVANCED TECHNOLOGY	35,469	37,469	35,469		35,469
		Infrared Suppression Fabrics		[+2,000]			
0603002A	30	MEDICAL ADVANCED TECHNOLOGY	10,677	16,477	15,277		13,177

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		Telemedicine Technology		[+2,300]			
		Virtual Reality Emergency Medical Telemedicine (VREMT)		[+3,500]		2,500	
		Intravenous Membrane Oxygenator (IMO)			[+1,000]		
		MRE Nutrition Research			[+3,600]		
0603003A	31	AVIATION ADVANCED TECHNOLOGY	31,330	44,330	31,330		76,330
		Short Range UAV		[+5,000]			
		SCRAM JET DevV		[+8,000]			
		Outrider UAV				45,000	
0603004A	32	WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	18,255	26,255	18,255		18,255
		Electro-rheological Fluids Recoil for Future Artillery Systems		[+5,000]			
		Plastic Cased Ammunition		[+3,000]			
0603005A	33	COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	32,685	35,685	41,685		38,642
		CAV ATD Composites		[+2,000]		2,000	
		CAV ATD Electric Drives		[+1,000]			
		Metal Matrix Composites			[+9,000]	6,500	
		Program Reduction				(2,543)	
0603006A	34	COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	19,688	21,688	23,688		21,688
		Tactical Internet Command and Control Protection		[+2,000]			
		Wave Net Technology			[+4,000]	2,000	
0603007A	35	MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,003	3,003	4,303		3,003
		Gender and Racial Integration			[+1,300]		
0603009A	36	TRACTOR HIKE	14,350	14,350	14,350		14,350
0603013A	37	TRACTOR DIRT	3,393	3,393	3,393		3,393
0603017A	38	TRACTOR RED	5,572	5,572	5,572		5,572
0603020A	39	TRACTOR ROSE	9,204	9,204	11,204		11,204
		Classified Program			[+2,000]	2,000	
0603105A	40	MILITARY HIV RESEARCH	2,713	2,713	2,713		2,713
0603238A	41	GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECH DEMO	11,664	11,664	11,664		11,664
0603270A	42	EW TECHNOLOGY	8,182	8,182	8,182		8,182
0603313A	43	MISSILE AND ROCKET ADVANCED TECHNOLOGY	117,139	65,439	117,139		93,839
		EFOG-M		[-57,700]		(26,300)	

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		Future Missile Technology Integration Program		[+6,000]		3,000	
0603322A	44	TRACTOR CAGE	6,412	6,412	6,412		6,412
0603606A	45	LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	19,332	24,332	25,932		27,032
		Countermine Technology Development		[+5,000]		5,000	
		Vehicular Mounted Mine Detection System			[+6,600]	2,700	
0603607A	46	JOINT SERVICE SMALL ARMS PROGRAM	4,754	11,754	4,754		9,254
		Objective Individual Combat Weapon		[+5,500]		3,000	
		Warhead Development (ALAWS Technology)		[+1,500]		1,500	
0603654A	47	LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	13,000	13,000	13,000	(8,000)	5,000
0603710A	48	NIGHT VISION ADVANCED TECHNOLOGY	19,299	19,299	19,299		19,299
0603734A	49	MILITARY ENGINEERING ADVANCED TECHNOLOGY	12,231	12,231	12,231		12,231
0603772A	50	ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHNOLOGY	19,970	19,970	19,970		19,970
0603018A	51	TRACTOR TREAD					
0603308A	52	ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)	24,138	21,638	81,138		75,638
		Missile Defense Battle Integration CTR		[+14,000]	[+22,000]	17,000	
		Transfer Tactical High Energy Laser To BMDO Cooperative Programs		[-16,500]			
		Tactical High Energy Laser			[+35,000]	34,500	
0603619A	53	LANDMINE WARFARE AND BARRIER - ADV DEV	18,882	21,882	18,882		18,882
		Countermine Systems Advanced Development		[+3,000]			
0603627A	54	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ADV DEV					
0603639A	55	ARMAMENT ENHANCEMENT INITIATIVE	40,313	60,313	40,313		38,313
		TERM-KE		[+20,000]		15,000	
		Smart Top Attack				(17,000)	
0603640A	56	ARTILLERY PROPELLANT DEVELOPMENT	8,521	8,521	8,521		8,521
0603645A	57	ARMORED SYSTEM MODERNIZATION - ADV DEV	2,007	2,007	2,007		2,007
0603649A	58	ENGINEER MOBILITY EQUIPMENT ADVANCED DEVELOPMENT					
0603653A	59	ADVANCED TANK ARMAMENT SYSTEM (ATAS)	8,982	8,982	8,982		8,982
0603713A	60	ARMY DATA DISTRIBUTION SYSTEM	21,214	21,214	21,214		21,214
0603745A	61	TACTICAL ELECTRONIC SUPPORT SYSTEMS - ADV DEV					
0603747A	62	SOLDIER SUPPORT AND SURVIVABILITY	7,557	7,557	7,557		7,557
0603766A	63	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV	20,920	20,920	20,920		20,920

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0603774A	64	NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	2,939	2,939	2,939		2,939
0603790A	65	NATO RESEARCH AND DEVELOPMENT	13,168	13,168	13,868	(4,000)	9,168
		NATO Research And Development			[+700]		
0603801A	66	AVIATION - ADV DEV	7,132	12,132	7,132		12,132
		Retinal Display Technology For AICH/Virtual Retinal Display		[+5,000]	[+5,000]	5,000	
0603802A	67	WEAPONS AND MUNITIONS - ADV DEV					
0603804A	68	LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	6,783	6,783	6,783		6,783
0603805A	69	COMBAT SERVICE SUPPORT CONTROL SYSTEM EVALUATION	7,673	7,673	7,673		7,673
0603807A	70	MEDICAL SYSTEMS - ADV DEV	6,765	11,765	6,765		6,765
		Life Support for Trauma & Transport		[+5,000]			
0603851A	71	TRACTOR CAGE (DEM/VAL)	1,948	1,948	1,948		1,948
0603854A	72	ARTILLERY SYSTEMS - DEM/VAL	324,380	324,380	324,380		324,380
0603856A	73	SCAMP BLOCK II DEM/VAL	73	73	73		73
0603889A	74	COUNTERDRUG RDT&E PROJECTS					
0604201A	75	AIRCRAFT AVIONICS	21,669	21,669	21,669		21,669
0604220A	76	ARMED, DEPLOYABLE OH-58D					
0604223A	77	COMANCHE	282,009	322,009	282,009		282,009
		Comanche		[+40,000]			
0604270A	78	EW DEVELOPMENT	66,212	66,212	66,212		66,212
0604321A	79	ALL SOURCE ANALYSIS SYSTEM	24,045	27,545	27,245		27,245
		ASAS Software Upgrade Program		[+3,500]			
		Advanced Fusion Technology Insertion			[+3,200]	3,200	
0604325A	80	FOLLOW-ON TO TOW	13,949	13,949	13,949		13,949
0604328A	81	TRACTOR CAGE	11	11	11		11
0604604A	82	MEDIUM TACTICAL VEHICLES	3,729	3,729	3,729		3,729
0604609A	83	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV					
0604611A	84	JAVELIN	8,018	8,018	8,018		8,018
0604619A	85	LANDMINE WARFARE	19,800	19,800	19,800		19,800
0604622A	86	FAMILY OF HEAVY TACTICAL VEHICLES		1,300			1,300
		Enhanced Safety Products		[+1,300]		1,300	
0604633A	87	AIR TRAFFIC CONTROL	1,705	1,705	1,705		1,705

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0604640A	88	ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)	8,867	8,867	8,867		8,867
0604641A	89	TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,687	2,687	2,687		2,687
0604642A	90	LIGHT TACTICAL WHEELED VEHICLES	9,909	9,909	9,909		0
		Program Reduction				(9,909)	
0604645A	91	ARMORED SYSTEMS MODERNIZATION (ASM)-ENG. DEV.					
0604649A	92	ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	56,196	56,196	56,196		52,196
		Breacher				(4,000)	
0604710A	93	NIGHT VISION SYSTEMS - ENG DEV	33,456	33,456	33,456		33,456
0604713A	94	COMBAT FEEDING, CLOTHING, AND EQUIPMENT	55,964	55,964	55,964		55,964
0604715A	95	NON-SYSTEM TRAINING DEVICES - ENG DEV	76,749	76,749	76,749		76,749
0604716A	96	TERRAIN INFORMATION - ENG DEV	2,942	2,942	2,942		2,942
0604726A	97	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,946	1,946	1,946		1,946
0604739A	98	INTEGRATED BROADCAST SERVICE	4,499	4,499	4,499		4,499
0604740A	99	TACTICAL SURVEILLANCE SYSTEM - ENG DEV					
0604741A	100	AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DEV	18,350	18,350	23,350		18,350
		Force XXI Air Defense Tactical Operations Center			[+5,000]		
0604746A	101	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	2,582	4,882	2,582		4,882
		Integrated Family Of Test Equipment		[+2,300]		2,300	
0604760A	102	DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENG DEVELOPMENT	20,895	20,895	20,895		20,895
0604766A	103	TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (TIARA)	19,113	17,913	19,113		19,113
		TENCAP		[-1,200]			
0604768A	104	BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	202,302	202,302	202,302		237,302
		BAT P3I				35,000	
0604770A	105	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	6,940	6,940	6,940		6,940
0604778A	106	POSITIONING SYSTEMS DEVELOPMENT (SPACE)	419	419	419		419
0604780A	107	COMBINED ARMS TACTICAL TRAINER (CATT)	2,823	2,823	14,323		13,323
		CATT Reliability Improvement			[+11,500]	10,500	
0604801A	108	AVIATION - ENG DEV	5,109	5,109	5,109		5,109
0604802A	109	WEAPONS AND MUNITIONS - ENG DEV	3,577	3,577	3,577		3,577
0604804A	110	LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	28,039	28,039	28,039		28,039
0604805A	111	COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	11,052	16,052	25,052		11,052

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		Force XXI Architecture		[+5,000]	[+14,000]		
0604807A	112	MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIP - ENG DEV	4,483	4,483	4,483		4,483
0604808A	113	LANDMINE WARFARE/BARRIER - ENG DEV	22,605	22,605	22,605		8,732
		Airborne Standoff Minefield Detection System				(13,873)	
0604814A	114	SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	22,372	22,372	22,372		11,494
		SADARM P3I				(10,878)	
0604816A	115	LONGBOW - ENG DEV					
0604817A	116	COMBAT IDENTIFICATION	19,784	19,784	19,784		19,784
0604818A	117	ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	20,022	20,022	20,022		20,022
0604820A	118	RADAR DEVELOPMENT					
0604823A	119	FIREFINDER	2,564	2,564	10,564		2,564
		AN/TPQ-37 P3I			[+8,000]		
0604854A	120	ARTILLERY SYSTEMS - EMD					
0604256A	121	THREAT SIMULATOR DEVELOPMENT	14,004	14,004	14,004		14,004
0604258A	122	TARGET SYSTEMS DEVELOPMENT	11,688	11,688	11,688		11,688
0604759A	123	MAJOR T&E INVESTMENT	40,449	40,449	40,449		40,449
0605103A	124	RAND ARROYO CENTER	17,576	17,576	17,576		17,576
0605301A	125	ARMY KWAJALEIN ATOLL	138,769	138,769	138,769		124,769
		Program Reduction				(14,000)	
0605502A	126	SMALL BUSINESS INNOVATIVE RESEARCH					
0605601A	127	ARMY TEST RANGES AND FACILITIES	122,117	122,117	122,117		122,117
0605602A	128	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,184	33,184	33,184		33,184
0605604A	129	SURVIVABILITY/LETHALITY ANALYSIS	32,330	39,030	32,330		32,330
		Information Operations/Warfare Survivability Analysis		[+6,700]			
0605605A	130	DOD HIGH ENERGY LASER TEST FACILITY	14,952	14,952	24,952		24,952
		HELSTF Test Center Support			[+10,000]	10,000	
0605606A	131	AIRCRAFT CERTIFICATION	2,919	2,919	2,919		2,919
0605702A	132	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,434	6,434	6,434		6,434
0605706A	133	MATERIEL SYSTEMS ANALYSIS	29,707	29,707	29,707		29,707
0605709A	134	EXPLOITATION OF FOREIGN ITEMS	7,762	7,762	7,762		7,762
0605712A	135	SUPPORT OF OPERATIONAL TESTING	81,672	81,672	81,672		81,672

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0605801A	136	PROGRAMWIDE ACTIVITIES	86,208	86,208	82,208		82,208
		Infrastructure Reduction			[-4,000]	(4,000)	
0605802A	137	INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT	1,581	1,581	0		0
		Program Reduction			[-1,581]	(1,581)	
0605803A	138	TECHNICAL INFORMATION ACTIVITIES	15,451	15,451	16,951		15,451
		Gender and Racial Integration			[+1,500]		
0605805A	139	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	6,317	6,317	6,317		10,317
		Conventional Munitions Demilitarization Blast Chamber				4,000	
0605853A	140	ENVIRONMENTAL CONSERVATION	1,778	1,778	1,778		1,778
0605854A	141	POLLUTION PREVENTION	5,353	5,353	5,353		5,353
0605856A	142	ENVIRONMENTAL COMPLIANCE	51,378	51,378	51,378		55,378
		Fuel Cell Military Applications Development				4,000	
0605876A	143	MINOR CONSTRUCTION (RPM) - RDT&E	4,393	4,393	4,393		4,393
0605878A	144	MAINTENANCE AND REPAIR (RPM) - RDT&E	85,119	85,119	85,119		85,119
0605879A	145	REAL PROPERTY SERVICES (RPS) - RDT&E	88,945	88,945	88,945		88,945
0605896A	146	BASE OPERATIONS - RDT&E	231,653	231,653	231,653		231,653
0605898A	147	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,837	4,837	4,837		4,837
0909999A	148	FINANCING FOR CANCELED ACCOUNT ADJUSTMENTS					
0603778A	149	MLRS PRODUCT IMPROVEMENT PROGRAM	26,678	26,678	26,678		26,678
0102419A	150	AEROSTAT JOINT PROJECT OFFICE	86,193	86,193	86,193		35,000
		Program Reduction				(51,193)	
0203726A	151	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	39,039	51,039	39,039		39,039
		Adv Field Artillery Tactical Data System		[+12,000]			
0203735A	152	COMBAT VEHICLE IMPROVEMENT PROGRAMS	136,520	156,620	156,520		159,020
		AN/VVR-1 Laser Detector		[+8,000]		4,000	
		HTI Field Emission Flat Panel Display For Abrams		[+2,000]	[+12,000]	12,000	
		Slew-To-Cue		[+10,100]			
		M1A1 SEP			[+8,000]	6,500	
0203740A	153	MANEUVER CONTROL SYSTEM	25,641	25,641	25,641		25,641
0203744A	154	AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	2,609	22,609	32,609		22,609
		CH-47 Improved Cargo Helicopter		[+20,000]	[+30,000]	20,000	

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0203752A	155	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,940	2,940	2,940		2,940
0203758A	156	DIGITIZATION	156,960	156,960	167,960		65,560
		Applique			[+11,000]	2,600	
		Force XXI Initiatives Transfer				(100,000)	
		Tactical Internet				6,000	
0203801A	157	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	17,412	34,112	27,412		31,412
		Stinger Block II		[+6,700]		4,000	
		PAC-3 Missile Upgrades		[+10,000]			
		Patriot Anti-Cruise Missile Program			[+10,000]	10,000	
0203802A	158	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	1,255	4,455	1,255		1,255
		ATACMS		[+3,200]			
0203806A	159	TRACTOR RUT	2,111	2,111	2,111		2,111
0203808A	160	TRACTOR CARD	6,690	6,690	6,690		6,690
0208010A	161	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	8,983	8,983	8,983		8,983
0208053A	162	JOINT TACTICAL GROUND SYSTEM	3,195	3,195	3,195		3,195
0301359A	163	SPECIAL ARMY PROGRAM	5,547	9,717	5,547		7,547
		Special Army Program		[+4,170]		2,000	
0303140A	164	INFORMATION SYSTEMS SECURITY PROGRAM	9,647	12,147	9,647		12,147
		Health Care Infomation Protection Demonstration		[+2,500]		2,500	
0303142A	165	SATCOM GROUND ENVIRONMENT (SPACE)	57,827	57,827	57,827		56,227
		SMART-T Polar Modification				(1,600)	
0303150A	166	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	15,045	16,645	15,045		15,045
		European Command Global Command and Control System		[+1,600]			
0305114A	167	TRAFFIC CONTROL, APPROACH & LANDING SYS-FY 1987 AND PRIOR (H)	750	750	750		750
0305128A	168	SECURITY AND INVESTIGATIVE ACTIVITIES	500	500	500		500
0708045A	169	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	44,326	59,326	44,326		59,326
		Munitions Manufacturing Technology		[+15,000]		15,000	
1001018A	170	NATO JOINT STARS	13,500	13,500	13,500		13,500
XXXXX		FORCE XXI INITIATIVE				38,900	38,900
XXXXX		STRIKER				3,900	3,900
XXXXX		MORTAR FIRE CONTROL				10,000	10,000

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
XXXXX		RADIO FREQUENCY				1,700	1,700
XXXXX		LIGHTWEIGHT LASER DESIGNATOR/RANGE FINDER				2,800	2,800
XXXXX		COMBAT SYNTHETIC TRAINING ASSESSMENT RANGE				5,400	5,400
XXXXX		ARMY AIRBORNE COMMAND & CONTROL SYTEM				11,000	11,000
	XXX	OFFSET FOR FACIAL RECOGNITION TECHNOLOGY (PE 63122D)			(5,000)		
		Economic Assumptions				(17,000)	(17,000)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL ARMY	4,510,843	4,752,913	4,745,462	122,652	4,633,495

FUNDING EXPLANATIONS

University and industry research centers

The budget request included $45.5 million in PE 61104A for university and industry research centers.

The House bill would authorize an increase of $1.9 million in PE 61104A for electromechanics and hypervelocity physics.

The Senate amendment would authorize an increase of $2.3 million in PE 61104A for the Army federated laboratory advanced telecommunications and information distribution research program (ATIRP).

The conferees agree to authorize an increase of $1.0 million for electromechanics and hypervelocity physics. The conferees also agree to authorize $2.3 million of the remaining funds for the establishment of the ATIRP.

Combat vehicle and automotive advanced technology

The budget request included $33.1 million for Combat Vehicle and Automotive Advanced Technology (PE 62601A).

The House bill authorized an increase of $11.0 million for a variety of innovative research projects.

The Senate amendment would authorize an increase of $4.0 million for the National Automotive Center to fund cooperative contracts using matching funds (PE 62601A).

The conferees agree to authorize $40.612 million in PE 62601A, an increase of $7.5 million: $4.0 million for continued funding of cooperative and dual-use contracts to integrate commercial automotive technology into Army vehicles; $1.0 million for completion of the High Output Diesel Engine (HODE) project; and $2.5 million for new alternative vehicle propulsion efforts with industry and academia, including, but not limited to, innovation or improvements related to diesel, internal combustion, fuel cell, and electric propulsion technologies.

The conferees commend the National Automotive Center for its efforts to improve the automotive technology available in Army ground vehicle systems while reducing the operating and support costs, particularly through the use of affordable commercial technology, competitive procedures, and matching funds from industry.

Plastic cased ammunition

The budget request included $18.2 million in PE 63004A for weapons and munitions advanced technology.

The House bill would authorize an increase of $8.0 million in PE 63004A: $5.0 million for electro-rheological fluids recoil for future artillery systems; and $3.0 million for plastic cased ammunition.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million for plastic cased ammunition research in PE 62624A. The conferees also agree to authorize a reduction of $1.1 million, without prejudice, in PE 62624A.

Electronics and electronic devices

The budget request included $20.2 million in PE 62705A for research and development in electronics and electronic devices.

The House bill would authorize an increase of $5.0 million for field battery recharging capability (thermophotovoltaic) research and $3.0 million for battery manufacturing technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase: $1.5 million for field battery recharging capability (thermophotovoltaic) research; and $1.5 million for manufacturing technology research associated with AA zinc batteries for military applications.

Bioremediation, education, science, and technology program

The budget request included $17.5 million for environmental quality technology within PE 62720A. The budget request included no funds in that program element for the bioremediation, education, science, and technology program (BEST), which supports multidisciplinary research and education in bioremediation science.

The House bill would authorize an additional $4.0 million in PE 62720A for the BEST program.

The Senate amendment would authorize the budget request.

The Senate recedes.

The conferees expect that the use of additional funds for BEST will provide a direct benefit to the Department of Defense efforts in the area of bioremediation.

Plasma energy pyrolysis system

The budget request included $17.5 million for environmental technology in PE 62720A. No funding was specifically identified for the Plasma Energy Pyrolysis System (PEPS) technology.

The House bill and Senate amendment would authorize $8.7 million for PEPS technology.

The conferees agree to an increase of $6.0 million in PE 62720A for the ongoing joint effort between the U.S. Army Environmental Center/Environmental Technology Division and the Tennessee Valley Authority/Muscle Shoals Environmental Research Center to develop, demonstrate, and validate the PEPS technology.

The purpose of PEPS is to develop plasma technology as a method of producing heat for the breakdown of waste materials. The Muscle Shoals Environmental Research Center provides a level of technical expertise that stems from forty years of experience in working with electric arc furnaces, a thermal process similar to PEPS. For that reason, the participation of the Muscle Shoals Environmental Research Center is a necessary element of PEPS. However, the conferees direct that no more than 15 percent of the PEPS funds be made available for the participation of the Muscle Shoals Environmental Research Center.

The goals of the PEPS program are to evaluate the capability of plasma technology for the destruction of hazardous components, verify slag suitability for regular landfill disposal, identify potential hazards associated with the process emissions, and develop qualified cost estimates for the future use of the process on large scale operations. The conferees direct the Secretary of the Army to report to the congressional defense committees on the progress made in meeting these goals with fiscal year 1998 funds.

Radford Environmental Development and Management Program

The budget request included $17.5 million for environmental quality technology within PE 62720A. No funding was specifically identified to support the development of an integrated environmental and pollution prevention management and control system through the Radford Environmental Development and Management Program (REDMAP).

The House bill would direct the Secretary of the Army to ensure adequate support for the REDMAP initiative within funds authorized for environmental quality technology.

The Senate amendment would authorize an increase of $5.0 million in PE 62720A to support REDMAP.

The conferees agree to authorize an increase of $5.0 million in PE 62720A for REDMAP. The conferees note that some of the basic research necessary for REDMAP has already been accomplished through the Facility Environmental Management and Monitoring System (FEMMS) at Tobyhanna Army Depot, Pennsylvania. The conferees expect that REDMAP will use relevant information developed through FEMMS.

Military engineering technology

The budget request included $36.4 million in PE 62784A for military engineering technology.

The Senate amendment would authorize an increase of $5.0 million in PE 62784A: $1.0 million to enhance research in combat support, combat engineering, and base facility construction, operations, and maintenance at locations subject to cold weather; and $4.0 million for energy efficient military applications.

The House bill would authorize the budget request.

The conferees agree to an increase of $1.0 million in PE 62784A for cold weather research. The conferees also agree to an increase of $4.0 million in PE 65856A for fuel cell military applications as mentioned elsewhere in the report.

Medical advanced technology

The budget request included $10.6 million in PE 63002A for medical advanced technology.

The House bill would authorize an increase of $5.8 million in PE 63002A: $3.5 million for virtual reality emergency medical telemedicine (VREMT); and $2.3 million for telemedicine technology.

The Senate amendment would authorize an increase of $4.6 million in PE 63002A: $1.0 million for intravenous membrane oxygenator; and $3.6 million for Meals Ready-to-Eat nutrition research.

The conferees agree to authorize an increase of $2.5 million for VREMT. The conferees also agree to authorize an increase of $3.5 million for nutrition research in PE 62787A.

Combat vehicle and automotive advanced technology

The budget request included $32.7 million to develop combat vehicle and automotive technologies.

The House bill would authorize an increase of $3.0 million to support development of advanced composite materiel and electric drive technology.

The Senate amendment would authorize an increase of $9.0 million to further explore aluminum metal matrix technologies.

The conferees agree to authorize a total of $38.7 million in PE 63005A. Of this amount, $2.0 million is for advanced composite materiel development and $6.5 million is for aluminum metal matrix technologies.

Information systems technology, superiority, and security

The budget request included $544.4 million for information systems and information technology research, development, test, and evaluation. Of that amount, $306.0 million was for information security research, development, test, and evaluation.

The House bill would authorize the following increases to the budget request:

(1) $2.0 million in PE 63006A for tactical internet command and control protection;

(2) $6.7 million in PE 65604A for information operations/warfare survivability analysis of command, control, communications, and computers/information electronic warfare systems;

(3) $1.6 million in PE 33150A for development and application of information protection measures for the Army's component of the global command and control systems for the U.S. European Command; and

(4) $2.7 million in PE 33140F for the Air Force information protection program.

The House report (H. Rept. 105–132) would also direct the Secretary of Defense to provide to the congressional defense committees, with the submission of the fiscal year 1999 budget request, an assessment of the progress in the Department's information systems security program that addresses the current status of the program, specific actions being taken on the recommendations of the 1996 Defense Science Board Task Force on Information Warfare-Defense, and additional actions that should be taken to assure the increased security and integrity of the Defense information infrastructure. The House report would also require the Secretary to address measures necessary to assure the integrity of those elements of the National Information Infrastructure on which the Defense Information Infrastructure depends, and to identify any additional resources and legislative authority which might be required.

The Senate amendment would authorize the budget request. The House recedes from its recommendation for additional funding. The conferees, however, share the views expressed in the House report regarding the need to treat information technology as a vital strategic resource, and the need to address the potential vulnerabilities of the information infrastructure. The conferees direct the Secretary of Defense to submit to the congressional defense committees the assessment of the Department's information systems security program as discussed in the House report.

Missile and rocket advanced technology

The budget request included $117.1 million to develop missile technologies.

The House bill would authorize a decrease of $57.7 million for the enhanced fiber-optic guided missile (EFOG–M) program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $31.4 million to continue development of EFOG–M technologies and complete the advanced concept technology demonstration (ACTD) planned for fiscal year 1998. The conferees further direct that funds provided for the ACTD be used exclusively for that activity and not for procurement of additional missiles beyond those required for the evaluation. The conferees also agree to authorize an additional $3.0 million for the future missile technology insertion program for a total authorization of $93.8 million for PE 63313A.

Landmine warfare and barrier advanced technology

The budget request included $19.3 million to develop landmine detection technologies.

The House bill would authorize an additional $5.0 million for countermine technologies.

The Senate amendment would authorize an additional $6.6 million to support development and testing of vehicular mounted mine detector technologies.

The conferees agree to authorize $27.0 million in PE 63606A, an increase of $2.7 million for the vehicular mounted mine detection system and an additional $5.0 million for countermine technology development.

Joint service small arms program

The budget request included $4.8 million to conduct joint development of future small arms requirements.

The House bill would authorize an increase of $7.0 million to support development of the objective individual combat weapon (OICW) and advanced light anti-armor weapon system (ALAWS) technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.5 million in PE 63607A. Of this amount, $3.0 million is for OICW and $1.5 million is for ALAWS technology.

Armament enhancement initiative

The budget request included $40.3 million to develop future generation main battle tank armaments.

The House bill would authorize an additional $20.0 million for accelerated development of the tank extended range munition-kinetic energy (TERM–KE).

The Senate amendment would authorize the budget request.

The conferees agree to authorize a total of $38.3 million for the Armament Enhancement Initiative (PE 63639A). The conferees note an Army decision to terminate the Smart Target Activated Fire and Forget (STAFF) munition and pursue further development of the Tank Extended Range Munition-Kinetic Energy (TERM–KE). The conferees, therefore, agree to authorize a decrease of $17.0 million for STAFF and an increase of $15.0 million for TERM–KE.

Aviation-advanced development

The budget request included $7.1 million to develop aviation technologies.

The House bill would authorize an additional $5.0 million for development of retinal display technologies.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $12.1 million in PE 63801A.

All source analysis system

The budget request included $24.0 million to continue development of the All Source Analysis System (ASAS).

The House bill would authorize an increase of $3.5 million for software upgrades.

The Senate amendment would authorize an increase of $3.2 million to expand advanced fusion technology efforts.

The House recedes.

Light tactical wheeled vehicles

The budget request included $9.9 million to develop light tactical wheeled vehicle technologies.

The House bill and Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $9.9 million in PE 64642A and direct the Army to report on future light tactical wheeled vehicle requirements. The conferees note the Army has failed to provide a clear and definitized plan that addresses future light tactical vehicle requirements and are unsure about the future direction of Army wheeled vehicle programs.

Engineer mobility equipment development program

The budget request included $56.2 million to support improvements to engineer mobility equipment (PE 64649A).

The House bill and Senate amendment would authorize the budget request.

The conferees agree to a total authorization of $52.2 million in PE 64649A, a decrease of $4.0 million. The conferees note that the engineer mobility equipment development program has suffered from late obligation and system management problems.

Automatic test equipment

The budget request included $2.6 million to develop automatic test equipment technologies.

The House bill would authorize an increase of $2.3 million for Integrated Family of Test Equipment (IFTE) technology development.

The Senate amendment authorized the budget request.

The Senate recedes.

Tactical exploitation of national capabilities

The budget request included $107.2 million for the various Tactical Exploitation of National Capabilities (TENCAP) and related research and development projects within the military services' Tactical Intelligence and Related Activities aggregation and the Joint Military Intelligence Program.

The House bill would authorize a decrease in these individual accounts by approximately 10 percent.

The Senate amendment would authorize the budget request.

The House recedes.

The conferees agree that the tactical ''operationalization'' of space has become relatively commonplace within military doctrine, planning, and execution, and that specialized TENCAP projects to inform, educate, and provide improved space-related capabilities should be reviewed for possible reduction or reorientation. While the conferees fully support the TENCAP program, they believe there may be a need to begin to reduce and phase out the specialized projects to exploit space and national capabilities. Such exploitation should be the focus of new programs from the outset of their development.

Therefore, the conferees direct the Secretary of Defense to submit a report to the congressional defense and intelligence committees by March 15, 1998, describing the Secretary's assessment of the continuing utility of the TENCAP program, and recommendations for evolving or phasing out the existing TENCAP program.

Combined arms tactical trainer

The budget request included $2.8 million to develop combined arms tactical trainer (CATT) technologies.

The House bill would authorize the budget request.

The Senate amendment would authorize the transfer of $11.5 million from procurement to PE 64780A to resolve software problems associated with these trainers.

The conferees agree to authorize $13.3 million in PE 64780A.

Landmine warfare/barrier-engineering development

The budget request included $22.6 million to develop minefield detection technologies.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $13.9 million in PE 64808A for development work associated with the airborne standoff minefield detection system (ASTAMIDS) as technical difficulties with this technology have been identified and the system is not ready to enter engineering and manufacturing development (EMD).

Sense and destroy armament missile-engineering development

The budget request included $22.4 million to continue development of the sense and destroy armament missile (SADARM).

The House bill and Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $10.9 million for the SADARM program. The conferees note the program has suffered from technical difficulties associated with development of the baseline munition. The conferees support the SADARM program but believe the baseline system testing scheduled for calendar year 1998 should be completed prior to funding preplanned product improvement work.

Fuel cells

The budget request included no funding for fuel cell technology.

The House bill would authorize an increase of $1.8 million in PE 63712N to establish a cooperative research and development effort for a cost-shared demonstration of proton exchange membrane fuel cell technology and an increase of $3.5 million in PE 63513N to continue the program for design of a full scale ships service molten carbonate fuel cell

power plant and demonstration of a 500 kilowatt molten carbonate fuel cell.

The Senate amendment would authorize an increase of $1.75 million in PE 63712N to establish a cooperative research and development effort between the Naval Surface Warfare Center (NSWC) in Crane, Indiana and private industry. The Senate amendment also provided for an increase of $4.0 million in PE 62784A for additional technology development of energy efficient military applications between the U.S. Army Corps of Engineers, Construction Engineering Research Laboratories and private industry. In each instance, the Senate amendment directed participants from the private sector to contribute an amount of funding that is equivalent to the Federal funding level.

The conferees agree to authorize an increase of $1.75 million in PE 63712N, as discussed in the House report (H. Rept. 105–132) and the Senate report (S. Rept. 105–29), an increase of $3.5 million in PE 63513N for continuation of molten carbonate fuel cell development, as discussed in the House report, and an increase of $4.0 million in PE 65856A for additional technology development of energy efficient military applications, as discussed in the Senate report.

The conferees note that over the course of several budget cycles there have been numerous funding adds for development and utilization of fuel cell technology. The conferees believe that there is an absence of a clearly defined strategy and implementation program for the development and application of advanced fuel cell technology and other energy efficient applications for the Department of Defense (DOD). The conferees direct the Secretary of Defense to develop a strategy to address a broader spectrum of interests and applications of fuel cell technology within the military departments. The conferees expect that the strategy will include private sector contribution in an amount that is, at a minimum, equal to the Federal funding level for the continuation and development of fuel cell technology.

The conferees are also aware that the Department of Energy (DOE) has been involved in the development and application of advanced fuel cell technology. The conferees direct the Secretary of Defense to work with the Secretary of Energy in the development of a common strategy to avoid duplication of effort between the two departments.

The conferees direct the Secretary of Defense to report to the congressional defense committees by March 31, 1998 on the overall science and technology strategy for the development and application of advanced fuel cell technology and other energy efficient applications by the defense agencies and military departments. Moreover, the report should explain the common strategy developed by the Secretaries of Defense and Energy in this area.

Combat vehicle improvement program

The budget request included $136.5 million to develop combat vehicle improvements to existing systems.

The House bill would authorize an increase of $20.1 million for combat vehicle improvement purposes.

The Senate amendment would authorize an increase of $20.0 million for combat vehicle improvement purposes.

The conferees agree to authorize an increase of $22.5 million in PE 23735A for a total of $159.0 million. Of this amount, $12.0 million is for development of field emission display units for armored vehicles; $4.0 million is for development of AN/VVR-1 Laser Warning Receivers; and $6.5 million is for the M1 system enhancement program (SEP).

Aircraft modification/product improvement program

The budget request included $2.6 million to support improvements to existing aircraft systems.

The House bill would authorize an increase of $20.0 million for the improved cargo helicopter (ICH) program.

The Senate amendment would authorize an increase of $30.0 million for ICH.

The conferees agree to authorize an increase of $20.0 million for ICH in PE 23744 for a total of $22.6 million.

Digitization

The budget request included $157.0 million to support Army digitization efforts.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $11.0 million for outstanding digitization requirements.

The conferees note concerns expressed by defense appropriations subcommittees regarding the funding of certain Army digitization activities in the Digitization program element (PE 23758A) of the Army Research and Development budget request.

The conferees agree to reallocate $100.0 million from the Army request for digitization funding as follows:

Research, Development, Test and Evaluation, Army

	In millions
Digitization:	
Applique	$2.6
Tactical Internet	6.0
Other:	
Force XXI Initiatives	38.9
Striker	3.9
Mortar Fire Control	10.0
Radio Frequency Technology	1.7
Light Weight Laser Designator	2.8
Combat Synthetic Training Assessment Range	5.4
Airborne Command & Control System	11.0
Missile Procurement, Army:	
Avenger Slew-to-Cue	7.4
Other Procurement, Army:	
Gun Laying Positioning System	6.0
PLS Enhanced	3.0
Radio Frequency Technology	1.2

The conferees encourage the Army to further develop a clear and comprehensive digitization program that depicts requirements, funding, and timelines associated with the ultimate goal of fielding a digitized Corps early in the next century and to consult with the congressional defense committees concerning that program. The conferees expect that this effort will be fully funded in future budget submissions and that congressional defense committees will be notified of proposed acquisitions and activities. The conferees agree to authorize $65.6 million for digitization in PE 23758A.

Missile/air defense product improvement program

The budget request included $17.4 million to support improvements to existing air defense systems.

The House bill would authorize an increase of $16.7 million, $10.0 million for Patriot PAC-3 development and $6.7 million for the Stinger Block II development effort.

The Senate amendment would authorize an increase of $10.0 million for Patriot anti-cruise missile (PACM) development.

The conferees agree to authorize $31.4 million, an increase of $14.0 million in PE 23801A, $10.0 million for the completion of the PACM development effort and $4.0 million for the Stinger Block II program.

Healthcare information protection demonstration

The budget request included $9.6 million in PE 33140A for the Army's information systems security program.

The House bill would authorize an increase of $2.5 million to initiate a demonstration program for military healthcare information protection that would be consistent with national healthcare and information initiatives, and would direct the Secretary of the Army to report to the congressional defense committees on related matters.

The Senate amendment would authorize the budget request.

The Senate recedes.

End item industrial preparedness activities

The budget request included $44.3 in PE 78045A for the Army's manufacturing technology program.

The House bill would authorize an increase of $15.0 million for munitions manufacturing technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $15.0 million in PE 78045A to accelerate key munitions manufacturing technologies in composites, electronics, energetics, power supplies, and metal parts, as recommended in the House report (H. Rept. 105–132). The conferees intend this funding to be used to reduce the cost of future munitions and to enable both government- and contractor-owned munitions production facilities to produce research quantities and production quantities of munitions concurrently; to adopt design changes and product improvements more rapidly; and to make short production runs more feasible and less costly.

Overview

The budget request for fiscal year 1998 contained an authorization of $7,611.0 million for Navy, Research and Development in the Department of Defense. The House bill would authorize $7,947.0 million. The Senate amendment would authorize $7,813.0 million. The conferees recommended an authorization of $7,774.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL NAVY					
0601152N	1	IN-HOUSE INDEPENDENT LABORATORY RESEARCH	15,834	15,834	15,834		14,683
		Program Reduction				(1,151)	
0601153N	2	DEFENSE RESEARCH SCIENCES	366,283	376,783	366,283		334,463
		Marine Mammal Research Program		[+500]			
		Molecular Design		[+10,000]		8,000	
		Program Reduction				(39,820)	
0602111N	3	SURFACE/AEROSPACE SURVEILLANCE AND WEAPONS TECHNOLOGY	32,273	42,273	32,273		29,273
		Free Electron Laser		[+9,000]			
		Integrated High Payoff Rocket Propulsion Technology Program		[+1,000]			
		Program Reduction				(3,000)	
0602121N	4	SURFACE SHIP TECHNOLOGY	46,859	59,359	52,859		49,359
		Power Electronic Building Blocks (PEBB)		[+6,000]	[+6,000]	6,000	
		Power Node Control Centers		[+1,500]		1,500	
		Micro-electromechanical Systems (MEMS)		[+5,000]			
		Program Reduction				(5,000)	
0602122N	5	AIRCRAFT TECHNOLOGY	23,590	23,590	23,590		22,590
		Program Reduction				(1,000)	
0602131M	6	MARINE CORPS LANDING FORCE TECHNOLOGY	13,043	13,043	13,043		13,043
0602232N	7	COMMAND, CONTROL, AND COMMUNICATIONS TECHNOLOGY	65,566	65,566	65,566		56,566
		Program Reduction				(9,000)	
0602233N	8	READINESS, TRAINING, AND ENVIRONMENTAL QUALITY TECHNOLOGY	31,762	30,313	31,762		28,762
		GAO Recommended Reduction		[-1,449]		(3,000)	
0602234N	9	MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	76,653	81,653	76,653		67,653
		Advanced Carbon Fiber Technology		[+2,000]	[+2,000]	2,000	
		Cryogenic Electronics Technology		[+3,000]			
		Vacuum Electronics			[-4,000]	(3,000)	
		Titanium Processing			[+2,000]	2,000	
		Program Reduction				(10,000)	
0602270N	10	ELECTRONIC WARFARE TECHNOLOGY	22,810	22,810	22,810		21,810
		Program Reduction				(1,000)	

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0602314N	11	UNDERSEA SURVEILLANCE WEAPON TECHNOLOGY	51,033	51,033	51,033		46,033
		Program Reduction				(5,000)	
0602315N	12	MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE	42,737	45,737	42,737		42,737
		Mine Countermeasures Autonomous System Technology		[+3,000]			
0602435N	13	OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	48,211	77,211	64,211		64,211
		Arctic Climate Observations		[+3,000]		2,000	
		Autonomous Underwater Vehicle and Sonar Development		[+10,000]		2,000	
		National Oceanographic Partnerships Program		[+16,000]	[+16,000]	12,000	
0602633N	14	UNDERSEA WARFARE WEAPONRY TECHNOLOGY	35,736	35,736	39,736		34,736
		Submarine ASW Defensive Weapon			[+4,000]	3,000	
		Program Reduction				(4,000)	
0603217N	15	AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	35,093	31,093	35,093		28,693
		Integrated High Performance Rocket Propulsion Technology		[+1,000]		1,000	
		Land Attack Standard Missile (LASM) Offset		[-5,000]			
		Program Reduction				(7,400)	
0603238N	16	PRECISION STRIKE AND AIR DEFENSE	43,320	43,320	43,320		39,320
		Program Reduction				(4,000)	
0603270N	17	ADVANCED ELECTRONIC WARFARE TECHNOLOGY	18,144	18,144	18,144		17,144
		Program Reduction				(1,000)	
0603508N	18	SHIP PROPULSION SYSTEM	39,737	39,737	49,737		49,737
		Project "M"		[+5,000]		5,000	
		Land Attack Standard Missile (LASM) Offset		[-5,000]			
		Program Reduction				(5,000)	
		Composite Helicopter Hangar			[+10,000]	10,000	
0603640M	19	MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	34,178	58,978	49,178		53,678
		Commandant's Warfighting Laboratory		[+19,800]	[+15,000]	17,500	
		Low-Cost Close Range Unmanned Aerial Vehicles		[+5,000]			
		Common Automatic Recovery System (CARS)			[+2,000]	2,000	
0603706N	20	MEDICAL DEVELOPMENT	18,332	23,413	20,832		19,213
		Freeze Dried Blood		[+2,500]	[+2,500]	1,500	
		Medical Mobile Monitor		[+4,000]		2,000	

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		GAO Recommended Reduction		[-1,419]		(1,419)	
		Fleet Health Reduction				(1,200)	
0603707N	21	MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	18,812	18,812	18,812		16,812
		Program Reduction				(2,000)	
0603712N	22	ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	18,249	19,999	19,999		17,999
		Proton Exchange Membrane Fuel Cells		[+1,750]	[+1,750]	1,750	
		Program Reduction				(2,000)	
0603747N	23	UNDERSEA WARFARE ADVANCED TECHNOLOGY	54,785	63,785	54,785		49,385
		Littoral ASW Tech Demo		[+5,000]		3,000	
		Submarine ASW Defensive Weapon		[+4,000]			
		Program Reduction				(8,400)	
0603782N	24	SHALLOW WATER MCM DEMOS	41,602	42,352	41,602		38,352
		Beach and Surf Zone Obstacle Clearance		[+750]		750	
		Program Reduction				(4,000)	
0603792N	25	ADVANCED TECHNOLOGY TRANSITION	87,285	91,285	76,285		71,285
		Mantech Offset			[-15,000]		
		High Frequency Surface Wave Radar		[+4,000]	[+4,000]	4,000	
		Program Reduction				(20,000)	
0603794N	26	C3 ADVANCED TECHNOLOGY	23,768	23,768	23,768		22,368
		Program Reduction				(1,400)	
0603207N	27	AIR/OCEAN TACTICAL APPLICATIONS	16,017	16,017	16,017		16,017
0603208N	28	TRAINING SYSTEM AIRCRAFT					
0603216N	29	AVIATION SURVIVABILITY	7,859	8,127	7,859		10,859
		Aircrew Common Ejection Seats		[+1,500]			
		GAO Recommended Reduction		[-1,232]			
		Visualization Architecture		[+3,000]		3,000	
0603254N	30	ASW SYSTEMS DEVELOPMENT	22,869	26,669	22,869		24,869
		Air-Deployed Low Frequency Projector		[+3,800]		2,000	
0603261N	31	TACTICAL AIRBORNE RECONNAISSANCE	10,607	10,607	10,607		10,607
0603382N	32	ADVANCED COMBAT SYSTEMS TECHNOLOGY	5,232	5,232	5,232		5,232
0603451N	33	TACTICAL SPACE OPERATIONS					

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0603502N	34	SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	58,231	76,431	76,431		73,631
		Integrated Combat Weapon System		[+10,300]	[+10,300]	7,500	
		Remote Minehunting System		[+7,900]	[+7,900]	7,900	
0603504N	35	ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	61,122	62,422	61,122		62,422
		Light Weight Wide Aperture Array		[+4,000]		4,000	
		GAO Recommended Reduction		[-2,700]		(2,700)	
0603506N	36	SURFACE SHIP TORPEDO DEFENSE		9,800			0
		Surface Ship Torpedo Defense System Development		[+9,800]			
0603512N	37	CARRIER SYSTEMS DEVELOPMENT	98,587	10,187	98,587		20,587
		CV(X) Carrier System Development		[-88,400]		(78,000)	
0603513N	38	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	19,194	22,694	19,194		22,694
		Carbonate Fuel Cells		[+3,500]		3,500	
0603514N	39	SHIP COMBAT SURVIVABILITY	7,050	7,050	7,050		7,050
0603525N	40	PILOT FISH	118,728	118,728	118,728		118,728
0603528N	41	NON-ACOUSTIC ANTI-SUBMARINE WARFARE (ASW)					
0603536N	42	RETRACT JUNIPER	9,776	9,776	9,776		9,776
0603542N	43	RADIOLOGICAL CONTROL	3,030	3,030	3,030		3,030
0603553N	44	SURFACE ASW	5,704	5,704	5,704		5,704
0603561N	45	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	59,067	162,067	74,067		114,000
		Advanced Submarine System		[+103,000]		54,933	
		Advanced Submarine Technology			[+15,000]		
0603562N	46	SUBMARINE TACTICAL WARFARE SYSTEMS	4,931	4,931	4,931		4,931
0603563N	47	SHIP CONCEPT ADVANCED DESIGN	16,198	16,198	16,198		16,198
0603564N	48	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	38,682	38,682	55,682		53,682
		CVN-77 Research & Development			[+17,000]		
		Cruiser Modifications				15,000	
0603570N	49	ADVANCED NUCLEAR POWER SYSTEMS	125,357	125,357	125,357		125,357
0603573N	50	ADVANCED SURFACE MACHINERY SYSTEMS	49,741	49,741	49,741		47,741
		Intercooled Recuperative Engine (ICR)				(2,000)	
0603576N	51	CHALK EAGLE	137,442	137,442	137,442		137,442
0603582N	52	COMBAT SYSTEM INTEGRATION	7,739	7,739	7,739		7,739

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0603609N	53	CONVENTIONAL MUNITIONS	34,190	42,190	34,190		38,390
		Optical Correlator		[+8,000]		4,200	
0603610N	54	ADVANCED WARHEAD DEVELOPMENT (MK-50)	2,012	2,012	2,012		0
		Transfer to Lighweight Torpedo Development				(2,012)	
0603611M	55	MARINE CORPS ASSAULT VEHICLES	60,134	70,134	70,234		68,134
		Advanced Amphibious Assault Vehicles		[+10,000]	[+10,100]	8,000	
0603612M	56	MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV					0
0603635M	57	MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	36,464	40,064	36,464		40,064
		Lightweight 155MM Howitzer		[+3,600]		3,600	
0603654N	58	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	10,701	10,701	10,701		10,701
0603658N	59	COOPERATIVE ENGAGEMENT	139,229	189,229	148,729		172,229
		Low Cost Common Equipment Set		[+15,000]		15,000	
		CEC Agent Transfer		[+5,000]	[+5,000]		
		E-2C & P-3 CEC Integration		[+20,000]		10,000	
		CEC - SSDS Integration		[+5,000]		5,000	
		CEC Joint Integration/Marine Hawk		[+5,000]	[+4,500]	3,000	
0603711N	60	FLEET TACTICAL DEVELOPMENT					
0603713N	61	OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	12,658	12,658	12,658		12,658
0603721N	62	ENVIRONMENTAL PROTECTION	52,401	52,401	52,401		52,401
0603724N	63	NAVY ENERGY PROGRAM	4,159	4,159	4,159		4,159
0603725N	64	FACILITIES IMPROVEMENT	1,720	4,720	1,720		4,720
		Composite Engineered Materials		[+3,000]		3,000	
0603734N	65	CHALK CORAL	94,358	94,358	94,358		94,358
0603746N	66	RETRACT MAPLE	120,033	120,033	120,033		120,033
0603748N	67	LINK PLUMERIA	29,433	29,433	29,433		29,433
0603751N	68	RETRACT ELM	21,822	21,822	21,822		21,822
0603755N	69	SHIP SELF DEFENSE - DEM/VAL	9,961	9,961	9,961		9,961
0603785N	70	COMBAT SYSTEMS OCEANOGRAPHIC PERFORMANCE ASSESSMENT	11,706	11,706	11,706		11,706
0603787N	71	SPECIAL PROCESSES	81,439	81,439	81,439		81,439
0603790N	72	NATO RESEARCH AND DEVELOPMENT	13,330	13,330	13,330	(3,330)	10,000
0603795N	73	LAND ATTACK TECHNOLOGY	37,809	87,909	77,909		60,809

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		Extended Range Guided Munitions		[+15,100]	[+15,100]	8,000	
		Navy Tactical Missile System		[+20,000]	[+20,000]	10,000	
		Land Attack Standard Missile		[+10,000]	[+5,000]	3,000	
		Micro-Electro-Mechanical Systems Guidance and Control		[+5,000]		2,000	
0603800N	74	JOINT STRIKE FIGHTER (JSF) - DEM/VAL	448,855	468,855	476,855		463,855
		JSF Alternate Engine			[+28,000]	15,000	
		JSF Alternative Engine-Increase Navy Program Emphasis		[+20,000]			
0603851M	75	NONLETHAL WEAPONS - DEM/VAL	16,807	16,807	20,107		16,807
		Non-Lethal Weapons Technology			[+3,300]		
0603852N	76	ARSENAL SHIP					
0603860N	77	JOINT PRECISION APPROACH AND LANDING SYSTEM - DEM/VAL	2,993	2,993	2,993		2,993
0604327N	78	HARDENED TARGET MUNITIONS	4,987	4,987	4,987		4,987
0604707N	79	SPACE & ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENG SUPPORT	4,705	4,705	9,705		7,705
		Advanced Communications and Information Technology Initiative			[+5,000]	3,000	
0603208N	80	TRAINING SYSTEM AIRCRAFT	403	403	403		403
0603266N	81	AH-1T COMPOSITE ROTOR BLADE (H)					
0604212N	82	OTHER HELO DEVELOPMENT	73,354	88,354	88,354		125,191
		Lt Airborne Multi-Purpose Sys Helicopter Program		[+15,000]		15,000	
		CH-60 development				31,837	
		Parametric Airborne Dipping Sonar			[+10,000]	5,000	
		SH-60B Ku Band Data Link			[+5,000]		
0604214N	83	AV-8B AIRCRAFT - ENG DEV	11,034	11,034	11,034		11,034
0604215N	84	STANDARDS DEVELOPMENT	36,297	40,297	36,297		36,297
		Ground Proximity Warning System		[+4,000]			
0604217N	85	S-3 WEAPON SYSTEM IMPROVEMENT	4,735	4,735	4,735		930
		Common Support Aircraft				(3,805)	
0604218N	86	AIR/OCEAN EQUIPMENT ENGINEERING	6,129	6,129	6,129		6,129
0604221N	87	P-3 MODERNIZATION PROGRAM	3,191	15,191	3,191		13,191
		P-3 Maritime Patrol Aircraft Modernization Program		[+12,000]		10,000	
0604231N	88	TACTICAL COMMAND SYSTEM	31,518	41,518	31,518		36,518
		JSTARS-JMCIS Integration		[+10,000]		5,000	

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0604245N	89	H-1 UPGRADES	80,735	86,335	86,335		86,335
		UH-1N/AH-1W Cockpit Commonality		[+5,600]	[+5,600]	5,600	
0604261N	90	ACOUSTIC SEARCH SENSORS	16,947	20,947	16,947		18,947
		Advanced Ranging Source		[+4,000]		2,000	
0604262N	91	V-22A	529,495	529,495	529,495		529,495
0604264N	92	AIR CREW SYSTEMS DEVELOPMENT	12,111	12,111	12,111		12,111
0604270N	93	EW DEVELOPMENT	101,803	119,603	116,803		99,127
		Precision Targeting and Location System		[+2,800]		2,000	
		F/A-18C/D IDECM		[+15,000]	[+15,000]		
		Joint Emitter Targeting System				(2,000)	
		ICAP III Late Award				(2,676)	
0604307N	94	SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	87,934	85,133	116,434		110,134
		GAO Recommended Reduction		[-2,801]		(2,800)	
		High Power Discriminator			[+35,000]	25,000	
		IRST Offset			[-6,500]		
0604310N	95	ARSENAL SHIP	102,994	0	127,994		35,000
		Arsenal Ship		[-102,994]		(67,994)	
		Maritime Fire Support Demonstrator Risk Reduction			[+25,000]		
0604311N	96	LPD-17 CLASS SYSTEMS INTEGRATION	471	471	471		471
0604312N	97	TRI-SERVICE STANDOFF ATTACK MISSILE	9,644	9,644	9,644		5,456
		JASSM Reduction				(4,188)	
0604366N	98	STANDARD MISSILE IMPROVEMENTS	549	549	549		549
0604373N	99	AIRBORNE MCM	16,503	16,503	16,503		16,503
0604503N	100	SSN-688 AND TRIDENT MODERNIZATION	42,294	57,294	67,294		57,294
		Submarine Combat System Multi-Purpose Processor		[+15,000]	[+25,000]	15,000	
0604504N	101	AIR CONTROL	9,298	9,298	9,298		9,298
0604507N	102	ENHANCED MODULAR SIGNAL PROCESSOR	3,462	3,462	3,462		3,462
0604512N	103	SHIPBOARD AVIATION SYSTEMS	9,225	9,225	9,225		9,225
0604516N	104	SHIP SURVIVABILITY	6,081	6,081	6,081		6,081
0604518N	105	COMBAT INFORMATION CENTER CONVERSION	11,325	11,325	11,325		11,325
0604524N	106	SUBMARINE COMBAT SYSTEM	23,701	23,701	23,701		18,701

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		AN/BSY-2 Tech/OpEval Postponement				(5,000)	
0604558N	107	NEW DESIGN SSN	311,076	328,076	311,076		319,076
		Advanced Submarine Tactical Electronic Combat System		[+17,000]		8,000	
0604561N	108	SSN-21 DEVELOPMENTS	49,542	49,542	66,542		49,542
		Seawolf Shock Test			[+17,000]		
0604562N	109	SUBMARINE TACTICAL WARFARE SYSTEM	45,663	45,663	45,663		45,663
0604567N	110	SHIP CONTRACT DESIGN/ LIVE FIRE T&E	75,713	92,713	100,713		92,713
		CVN-77 Research and Development		[+17,000]		17,000	
		Cruiser Conversion			[+25,000]		
0604574N	111	NAVY TACTICAL COMPUTER RESOURCES	4,794	4,794	4,794		4,794
0604601N	112	MINE DEVELOPMENT	2,815	2,815	2,815		2,815
0604603N	113	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	28,890	28,890	28,890		28,890
0604610N	114	LIGHTWEIGHT TORPEDO DEVELOPMENT	17,290	17,290	17,290		19,302
		Lightweight Hybrid Torpedo Software				2,012	
0604612M	115	MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	950	950	950		950
0604618N	116	JOINT DIRECT ATTACK MUNITION	12,714	12,714	12,714		12,714
0604654N	117	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	6,613	6,613	6,613		6,613
0604703N	118	PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,022	1,022	1,022		1,022
0604710N	119	NAVY ENERGY PROGRAM	2,088	2,088	2,088		2,088
0604719M	120	MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS					
0604721N	121	BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	4,531	4,531	4,531		4,531
0604727N	122	JOINT STANDOFF WEAPON SYSTEMS	71,526	80,526	71,526		80,526
		JSOW Unitary Warhead Acceleration		[+9,000]		9,000	
0604755N	123	SHIP SELF DEFENSE - EMD	132,270	132,270	166,270		152,270
		Infrared Search and Track			[+13,000]	4,000	
		CEC/ACDS/SSDS Integration			[+19,000]		
		NULKA Future EMS Adaptation			[+2,000]	2,000	
		QRCC				10,000	
		Wallops Island Test Operations/Integrated Ship Self Defense Test Site				4,000	
0604771N	124	MEDICAL DEVELOPMENT	3,620	3,620	3,620		3,620
0604777N	125	NAVIGATION/ID SYSTEM	50,370	50,370	50,370		50,370

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0604784N	126	DISTRIBUTED SURVEILLANCE SYSTEM	33,048	43,448	67,048		43,448
		Advanced Deployable System		[+10,400]	[+44,000]	10,400	
		Classified Program			[-10,000]		
0604256N	127	THREAT SIMULATOR DEVELOPMENT	12,860	12,860	12,860		12,860
0604258N	128	TARGET SYSTEMS DEVELOPMENT	48,308	48,308	48,308		45,408
		Non-Cooperative Airborne Vector Scorer Cancellation				(2,900)	
0604759N	129	MAJOR T&E INVESTMENT	33,236	44,836	33,236		33,236
		Integrated Ship Self Defense Test Site		[+8,600]			
		Visualization Architecture and Technology		[+3,000]			
0605152N	130	STUDIES AND ANALYSIS SUPPORT - NAVY	8,755	8,755	8,755		6,679
		Program Reduction				(2,076)	
0605154N	131	CENTER FOR NAVAL ANALYSES	43,476	43,476	43,476		43,476
0605155N	132	FLEET TACTICAL DEVELOPMENT	2,747	2,747	2,747		2,747
0605502N	133	SMALL BUSINESS INNOVATIVE RESEARCH					
0605804N	134	TECHNICAL INFORMATION SERVICES	8,763	8,763	8,763		3,263
		Program Reduction				(5,500)	
0605853N	135	MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	24,305	24,305	19,305		19,305
		Infrastructure Reduction			[-5,000]	(5,000)	
0605856N	136	STRATEGIC TECHNICAL SUPPORT	2,110	2,110	2,110		2,110
0605861N	137	RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	57,591	57,591	57,591		55,961
		Program Reduction				(1,630)	
0605862N	138	RDT&E INSTRUMENTATION MODERNIZATION	8,546	8,546	8,546		8,546
0605863N	139	RDT&E SHIP AND AIRCRAFT SUPPORT	48,596	48,596	48,596		48,596
0605864N	140	TEST AND EVALUATION SUPPORT	263,934	265,934	251,934		246,934
		Navy Safety and Survivability Enhancements		[+2,000]		1,000	
		Infrastructure Reduction			[-12,000]	(18,000)	
0605865N	141	OPERATIONAL TEST AND EVALUATION CAPABILITY	9,107	9,107	9,107		9,107
0605866N	142	NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	2,783	2,783	2,783		2,783
0605867N	143	SEW SURVEILLANCE/RECONAISSANCE SUPPORT	11,941	10,919	11,941		11,941
		TENCAP		[-1,022]			
0605871M	144	MARINE CORPS TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES					

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0605873M	145	MARINE CORPS PROGRAM WIDE SUPPORT	8,207	8,207	8,207		8,207
0909999N	146	FINANCING FOR CANCELED ACCOUNT ADJUSTMENTS					
0101221N	147	STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	44,419	44,419	44,419		44,419
0101224N	148	SSBN SECURITY TECHNOLOGY PROGRAM	24,726	24,726	24,726		24,726
0101226N	149	SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	6,058	14,058	6,058		6,058
		AN/WLY-1 Submarine Regional Warfare System		[+8,000]			
0101402N	150	NAVY STRATEGIC COMMUNICATIONS					
0204136N	151	F/A-18 SQUADRONS	316,976	207,776	316,976		293,976
		F/A-18E/F Super Hornet		[-114,200]		(26,000)	
		F-18F TARP		[+5,000]		3,000	
0204152N	152	E-2 SQUADRONS	64,852	74,852	64,852		64,852
		E-2 Eight-Blade Composite Propeller System		[+10,000]			
0204163N	153	FLEET TELECOMMUNICATIONS (TACTICAL)	19,336	19,336	23,036		19,336
		Joint/Combined Military/Civilian Networked Applications			[+3,700]		
0204229N	154	TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	93,359	91,500	93,359		91,500
		GAO Recommended Reduction		[-1,859]		(1,859)	
0204311N	155	INTEGRATED SURVEILLANCE SYSTEM	9,882	13,882	9,882		9,882
		Surtass Low Frequency Active		[+4,000]			
0204413N	156	AMPHIBIOUS TACTICAL SUPPORT UNITS	672	672	672		672
0204571N	157	CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	58,956	36,456	58,956		63,956
		Battle Force Tactical Trainer Secure Interface		[+5,000]		5,000	
		Consolidated Training Systems Development		[-27,500]			
0204575N	158	ELECTRONIC WARFARE (EW) READINESS SUPPORT	1,626	1,626	1,626		1,626
0205601N	159	HARM IMPROVEMENT	6,169	41,169	6,169		41,169
		AARGM		[+35,000]		35,000	
0205604N	160	TACTICAL DATA LINKS	41,375	41,375	41,375		41,375
0205620N	161	SURFACE ASW COMBAT SYSTEM INTEGRATION	7,991	7,991	7,991		7,991
0205632N	162	MK-48 ADCAP	10,786	10,786	10,786		10,786
0205633N	163	AVIATION IMPROVEMENTS	60,025	60,025	35,025		51,025
		FY97 ARRGM Funding Offset			[-25,000]		
		New Start Initiatives Deferral				(9,000)	

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Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0205658N	164	NAVY SCIENCE ASSISTANCE PROGRAM					
0205667N	165	F-14 UPGRADE	11,704	11,704	11,704		11,704
0205675N	166	OPERATIONAL NUCLEAR POWER SYSTEMS	55,998	55,998	55,998		55,998
0206313M	167	MARINE CORPS COMMUNICATIONS SYSTEMS	38,296	48,196	38,996		45,296
		Tactical Hand Held Radio		[+2,000]		2,000	
		Tactical Remote Sensors		[+1,500]			
		Marine Common Hardware Suite		[+700]	[+700]		
		Tactical Electronic Reconnaissance Processing & Intelligence Systems		[+1,000]			
		TENCAP		[-300]			
		Close Range UAV Data Link		[+5,000]		5,000	
0206623M	168	MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	12,568	17,518	12,568		14,668
		Marine Enhancement Program		[+700]			
		AN/VVR-1 Laser Warning Receiver		[+4,250]		2,100	
0206624M	169	MARINE CORPS COMBAT SERVICES SUPPORT	5,048	10,048	5,048		5,048
		Light Strike Vehicle		[+5,000]			
0206625M	170	MARINE CORPS INTELLIGENCE/ELECTRONICS WARFARE SYSTEMS					
0206626M	171	MARINE CORPS COMMAND/CONTROL/COMMUNICATIONS SYSTEMS					
0207161N	172	TACTICAL AIM MISSILES	60,079	60,079	60,079		60,079
0207163N	173	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	5,700	5,700	5,700		5,700
0301303N	174	MARITIME INTELLIGENCE	[---]	[---]	[---]		[---]
0301327N	175	TECHNICAL RECONNAISSANCE AND SURVEILLANCE	[---]	[---]	[---]		[---]
0303109N	176	SATELLITE COMMUNICATIONS (SPACE)	17,026	17,026	17,026		17,026
0303140N	177	INFORMATION SYSTEMS SECURITY PROGRAM	20,291	20,291	20,291		20,291
0303150N	178	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	498	498	498		498
0304111N	179	SPECIAL ACTIVITIES	[---]	[---]	[---]		[---]
0305154N	180	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	[---]	[---]	[---]		[---]
0305160N	181	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	3,165	3,165	3,165	(1,967)	1,198
0305192N	182	JOINT MILITARY INTELLIGENCE PROGRAMS	2,412	2,412	2,412		2,412
0305207N	183	MANNED RECONNAISSANCE SYSTEMS	344	344	344		344
0305889N	184	COUNTERDRUG INTELLIGENCE SUPPORT					
0305927N	185	NAVAL SPACE SURVEILLANCE	399	399	399		399

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0708011N	186	INDUSTRIAL PREPAREDNESS	0	0	50,000		55,000
		Manufacturing Technology Programs		[0]	[+50,000]	55,000	
XXXXXX	999	CLASSIFIED PROGRAMS	488,489	531,489	488,489	6,500	494,989
		Undistributed Reduction			(225,000)		0
		Economic Assumptions				(18,000)	(18,000)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL NAVY	7,611,022	7,946,996	7,812,972	163,855	7,774,877

Defense research sciences

The budget request included $366.3 million in PE 61153N for Navy defense research sciences.

The House bill would authorize an increase of $10.0 million to continue the program of basic research in molecular design materials science that was initiated in 1994.

The Senate amendment would authorize the budget request.

The conferees agree to an increase of $8.0 million in PE 61153N. Further, the conferees agree with the direction contained in the House report (H. Rept. 105–132) with regard to the molecular design materials science program. The Secretary of the Navy shall conduct an assessment of the goals, objectives, and progress in the program, future directions and funding requirements, and report the results of the assessment to the congressional defense committees by March 15, 1998.

Marine mammal research program

The budget request included $366.3 million in PE 61153N for Navy Defense Research Sciences, including $137.1 million to support basic research in ocean sciences.

The House bill would authorize an increase of $500,000 to continue the Navy's cooperative marine mammal research program.

The Senate amendment would authorize the budget request.

The House recedes.

The conferees direct the Secretary of the Navy to submit to the congressional defense committees, by March 1, 1998, a report on the research being conducted in the marine mammal research program, the technological implications of this research to Navy sonar requirements, and future plans for the program.

Power electronic building blocks

The budget request included $46.9 million in PE 62121N for applied research in surface ship technology.

The House bill and the Senate amendment would authorize an increase of $6.0 million for power electronic building block (PEBB) technology.

The conferees agree to an increase of $6.0 million in PE 62121N for the acceleration of the PEBB program to provide electric power system options for future shipboard designs that include electric drive and for meeting reduced manning goals through automation of ship systems. The conferees urge the use of virtual prototyping for simulation and evaluation of advanced concept electrical systems in this effort.

Power node control centers

The budget request included $46.8 million in PE 62121N for applied research in surface ship and submarine, hull, mechanical, and electronic technology, logistics technology, and environmental protection for all Navy platforms and shore facilities.

The House bill would authorize an increase of $1.5 million in PE 62121N to continue the development of power node control centers for advanced integrated electrical distribution system fault detection, switching, reconfiguration, and control of shipboard electrical systems.

The Senate amendment would authorize the budget request.

The Senate recedes.

Second source for carbon fibers

The budget request included $76.7 million in PE 62234N for materials, electronics, and computer technologies.

The House bill and the Senate amendment would authorize an increase of $2.0 million in PE 62234N to complete the qualification of new processes for aviation platforms and the development of a second source for carbon fibers.

The conferees agree to authorize an increase of $2.0 million in PE 62334N to continue and complete the program initiated in fiscal year 1997 to address new materials processes such as resin transfer molding and to establish second source qualification procedures for advanced composites used in naval aircraft and prepreg systems.

Titanium processing technology

The budget request included $76.7 million in PE 62234N for materials, electronics, and computer technologies.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $2.0 million in PE 62234N to support the development of the plasma quench process for use in the production of ultrafine titanium powder and in the injection molding process.

The House recedes.

The conferees direct that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost sharing requirements for non-federal participants be utilized where appropriate.

Arctic climate observations

The budget request included $48.2 million in PE 62435N for applied research in oceanographic and atmospheric technologies. The request included no funds for continuation of the ocean climate research program.

The House bill would authorize an increase of $3.0 million in PE 62435N to support the second year of the arctic oceanographic observation program, a four-year, cooperative program for the utilization of underwater acoustic techniques to determine ocean climate and acoustic characteristics in a large ocean basin.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million to continue the program for investigation of the use of long-range underwater sound transmissions to detect and monitor changes in the ocean, as described in the House report (H. Rept. 105–132).

National Oceanographic Partnership Program

The budget request included $48.2 million in PE 62435N for applied research in oceanographic and atmospheric technology.

The House bill and Senate amendment would authorize an increase of $16.0 million in PE 62435N for the National Oceanographic Partnership Program (NOPP).

The conferees agree to an increase of $12.0 million in PE 62435N to maintain the momentum of the program until additional funds for support of the program can be included in the budget requests of other participating agencies and departments.

The conferees further direct the Secretary of Defense to coordinate with the Secretaries of Commerce, Energy, and Interior, the Director of the National Science Foundation, the Administrators of the National Aeronautics and Space Administration and the Environmental Protection Agency on funding levels required in future budget requests for continuation of the NOPP. The conferees direct the Secretary of Defense to provide a report to the congressional defense committees by February 28, 1998 on the funding for the program identified in the fiscal year 1998 budget requests of participating agencies and the Department of Defense.

Antisubmarine warfare technology

The budget request included $35.7 million in PE 62633N for undersea warfare weaponry technology.

The House bill would authorize an increase of $4.0 million in PE 63747N to mature the development of hydrodynamics and propulsion technologies for the 6.25″ torpedo vehicle and expand guidance and control technologies.

The Senate amendment would authorize an increase of $4.0 million in PE 62633N to accelerate technology leading to the development of a quick reaction antisubmarine/anti-torpedo weapon needed for close-range engagements and for the protection of surface ships and submarines from torpedo attack.

The conferees agree to authorize an increase of $3.0 million in PE 62633N for antisubmarine warfare technologies applicable to quick reaction antisubmarine systems, as recommended in the House report (H. Rept. 105–132) and the Senate report (S. Rept. 105–29). The additional funding should be used to mature hydrodynamics, propulsion, and guidance and control technologies for the 6.25″ torpedo vehicle to accelerate its development and introduction into the fleet.

Composite helicopter hangar

The budget request included no funds for composite helicopter hangars.

The House bill authorized the budget request.

The Senate amendment would authorize an increase of $10.0 million above the budget request in PE 63508N to begin a developmental effort to design and fabricate the outer shell of a DDG–51 helicopter hangar structure using composite materials.

The conferees agree to authorize an increase of $10.0 million in PE 63508N for development of a composite helicopter hangar development and a general reduction of $5.0 million to PE 63508N.

Project ''M''

The budget request included $39.7 million in PE 63508N for technologies for submarine and surface ship handling, machinery, and engineering systems.

The House bill authorized an increase of $5.0 million to continue the Navy's program for transition, development and demonstration of advanced quieting technology developed under the Defense Advanced Research Project Agency Project ''M''.

The Senate amendment authorized the budget request.

The conferees agree to authorize a $5.0 million increase for Project ''M''.

Marine Corps advanced technology demonstration

The budget request included $34.2 million to support the Marine Corps advanced technology demonstration (ATD).

The House bill would authorize an increase of $19.8 million to support the Commandant's Warfighting Laboratory. The House bill would also provide $5.0 million for a low-cost, close-range unmanned aerial vehicle (UAV) project.

The Senate amendment would authorize an increase of $15.0 million for the Commandant's Warfighting Laboratory.

The conferees agree to authorize an increase of $19.5 million in PE 63640M. Of this amount, $17.5 million is for the Commandant's Warfighting Laboratory and $2.0 million is for the common automatic recovery system for a total of $53.7 million in this program element.

Freeze-dried blood research project

The budget request included $18.3 million in PE 63706N for medical development programs.

The House bill and Senate amendment would authorize an increase of $2.5 million for the freeze-dried blood research project.

The conferees agree to authorize an increase of $1.5 million in PE 63706N to continue research on freeze-dried blood processes to develop a safe and reliable supply of blood for combat casualties. The conferees recognize the commercial potential of this technology and urge the Navy to pursue dual-use application and cost-sharing in this program to the maximum extent practicable.

Littoral antisubmarine warfare technology demonstration

The budget request included $54.8 million in PE 63747N for advanced development of undersea warfare advanced technology, including $30.9 million for shallow water surveillance advanced technology.

The House bill would authorize an increase of $5.0 million in PE 63747N for continued development, demonstration, and evaluation of the technology for a mobile, high power broadband acoustic surveillance source that is based upon the adaptation of commercial-off-the-shelf (COTS) air-gun technology that was developed originally for the oil exploration industry.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million for the continuation of the COTS air-gun technology demonstration and evaluation program and understand that this will lead to a decision by the Navy on whether to proceed with the development of COTS air-gun technology as an acoustic surveillance source.

Beach and surf zone obstacle clearance

The budget request included $41.6 million in PE 63782N for advanced development and demonstration of technology for shallow water mine counter-measures.

The House bill would authorize an increase of $750,000 to complete the additional testing required for determination of the GPU–5 gunpod's capability to breach beach and surf zone obstacles safely, quickly, and decisively when mounted on an air-cushion landing craft.

The Senate amendment would authorize the budget request.

The Senate recedes.

High frequency surface wave radar

The budget request included $87.2 million in PE 63792N for the advanced technology transition program.

The House bill and Senate amendment would authorize an increase of $4.0 million for high frequency surface wave radar (HFSWR) advanced technology demonstration.

The conferees agree to an increase of $4.0 million in PE 63792N to complete the HFSWR demonstration.

Visualization architecture and technology

The budget request included $7.8 million for advanced technology in aviation survivability (PE 63216N) and $33.2 million for major test and evaluation investments (PE 64759N).

The House bill would authorize an increase of $3.0 million in PE 64759N for visualization architecture and technology that would focus on development of data display technologies, enhanced situational awareness, and other capabilities required to enhance the ability of developmental and operational testers to assess complex, dynamic air combat testing and operations.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million in PE 63216N for visualization architecture and technology. The conferees direct that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized, where appropriate.

Antisubmarine warfare systems development

The budget request included $22.9 million in PE 63254N for development of antisubmarine warfare systems.

The House bill would authorize an increase of $3.8 million to complete demonstration/validation of sonobuoy geo-positioning system integration and transducer enhancements for improving the shallow water antisubmarine warfare effectiveness of the air deployed low frequency projector.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a $2.0 million increase in PE 63254N for improving the shallow water antisubmarine warfare effectiveness of the air deployed low frequency projector.

CV(X) carrier system development

The budget request included $98.6 million in PE 63512N for future aircraft carrier research and development.

The House bill would authorize a decrease of $88.4 million for CV(X) carrier system development. The House report (H. Rept. 105–132) expressed the belief that it would be neither fiscally nor technically prudent to increase advanced carrier systems research and development for the CV(X) to the degree sought by the Navy. The report also expressed the belief that increased emphasis should be placed on the research and development program for the CVN–77 to provide a transition to the CV(X).

The Senate amendment would authorize the budget request.

The conferees agree to authorize $20.6 million in PE 63512N, a reduction of $78.0 million for future aircraft carrier research and development.

The conferees encourage the Chief of Naval Operations to define the operational requirement for the CV(X) aircraft carrier program and develop a road map for the CV(X) research, development, test and evaluation program to ensure the capabilities of the CV(X) meet that requirement.

Advanced submarine systems development

The budget request included $59.1 million in PE 63561N for innovative research and development in submarine technologies and their subsequent evaluation, demonstration, and validation for submarine platforms, in order to increase the submarine technology base and provide subsystem design options that are not currently feasible.

The House bill would authorize an increase of $103.0 million for development (in parallel with development of the New Attack Submarine(NAS)) of a large-scale vehicle (LSV) demonstrator that would not be limited by form (hull or appendages) or by a single hull design, and would also direct the Secretary of the Navy to issue a competitive solicitation for the demonstrator to the shipyards not currently involved in the design or future construction of the NAS. The House bill would further direct the transfer to the submarine large scale demonstrator of funds in the Future Years Defense Program accompanying the fiscal year 1998 budget for the Arsenal Ship demonstrator.

The Senate amendment would authorize an increase of $15.0 million to accelerate the development of what are now considered far-term technologies, such as an advanced propulsor, rim driven motors, and advanced hull forms.

The conferees agree to authorize an increase of $54.9 million. The Secretary of the Navy is authorized to pursue a third demonstrator that is not limited by form or single hull design and issue a competitive solicitation to all responsible sources for such a demonstrator. To avoid costly oversights and conflicts between the LSV builder and the technology providers, the Secretary of the Navy should ensure that the NAS shipbuilders are participants, as appropriate, in the process of including new technologies into the LSV.

The Secretary of the Navy should provide the congressional defense committees not later than the time at which the fiscal year 1999 defense budget request is submitted a report detailing the Navy's plans for LSV development.

Cruiser conversion program design

The budget request included $38.6 million for ship preliminary design and feasibility studies in PE 63564N.

The House bill would authorize the budget request.

The Senate amendment would authorize a $25.0 million increase in PE 64567N to initiate planning for mid-life conversion of Aegis cruisers and reduce schedule risk on development of DD–21.

The conferees agree to authorize a $15.0 million increase in PE 63564N to initiate the cruiser conversion program. The conferees direct the Secretary of the Navy to provide a report on the cruiser conversion plan to the congressional defense committees with the submission of the fiscal year 1999 defense budget request.

Intercooled recuperated gas turbine engine

The budget request included $49.7 million in PE 63573N for the Navy's advanced surface machinery program, including $32.3 million to continue development of the intercooled recuperated (ICR) gas turbine engine.

The House bill would authorize the budget request. The House report (H. Rept. 105–132) would direct the Secretary of the Navy to report an assessment of the progress in the ICR engine program.

The Senate amendment would also authorize the budget request. The Senate report (S. Rept. 105–29) would direct the Secretary of the Navy to prepare and submit a plan that makes provisions for at-sea testing, completion of development, and introduction of the ICR engine into the fleet.

The conferees agree to authorize a reduction to the budget request for the ICR program of $2.0 million, without prejudice. The conferees direct the Secretary of the Navy to conduct an assessment of the progress in the ICR engine program and plans for its continuation. The assessment shall address the technical progress in the program, future plans for engine testing and qualification (including plans for testing at land-based test sites and at-sea), options for completion of development and introduction of the ICR engine into the fleet if testing proves successful, the status of agreements with the United Kingdom and participating countries regarding the conduct of, and funding for, continuation of the program, and budget estimates of the costs necessary to complete the program. The results of the assessment shall be reported to the congressional defense committees with the submission of the fiscal year 1999 defense budget request.

Automatic target recognition/optical correlation

The budget request included $34.2 million in PE 63609N for Navy conventional munitions development, $26.2 million in PE 63601F for Air Force conventional weapons technology, and $4.8 million in PE 63232D for automatic target recognition.

The House bill would authorize an increase of $8.0 million in PE 63609N for development and demonstration of a miniature optical correlator for automatic target recognition and improved aimpoint selection for the Standard Missile, and an increase of $3.5 million in PE 63601F for the development and demonstration of a miniature optical correlator for automatic target recognition and aimpoint selection for the AGM–130 missile.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.2 million in PE 63609N and an increase of $1.5 million in PE 63601F for the development and demonstration of optical correlation technology, as described in the

House report (H. Rept. 105–132). The increase in PE 63601F is offset by a reduction of $3.0 million for next generation air-to-air threats.

Marine Corps assault vehicles

The budget request included $60.1 million to support the development of the advanced amphibious assault vehicle (AAAV).

The House bill would authorize an increase of $10.0 million to meet additional development requirements.

The Senate amendment would authorize an increase of $10.1 million for the AAAV.

The conferees agree to authorize an increase of $8.0 million for a total of $68.1 million in PE 63611M.

Marine Corps ground combat/support systems

The budget request included $36.5 million to support development of Marine Corps ground combat systems.

The House bill would authorize an increase of $3.6 million to support development requirements for the lightweight 155mm howitzer.

The Senate amendment would authorize the budget request.

The Senate recedes.

Cooperative engagement capability

The budget request included $139.2 million in PE 63658N for the cooperative engagement capability (CEC).

The House bill would authorize a total increase of $50.0 million in PE 63658N for the CEC program: $15.0 million to continue the accelerated development of the low cost common equipment set; $5.0 million to support transfer of the CEC design and development agent to industry; $20.0 million to accelerate integration of the CEC into Navy E–2C and P–3 aircraft; $5.0 million to initiate development of an integrated capability between CEC and the ship self defense program (SSDS); and $5.0 million to accelerate joint service integration and demonstration of CEC with the Army's Patriot and the Marine Corps' Hawk air defense missile systems.

The Senate amendment would authorize an increase of $9.5 million in PE 63658N to:

(1) $5.0 million to continue the transition of design responsibility from its developer to the CEC procurement contractor; and

(2) $4.5 million to continue integration of CEC into the Marine Corps Hawk missile system.

The Senate amendment would also authorize $5.0 million in PE 64212N to initiate development of a Ku-band data link kit for the SH–60B helicopter to avoid CEC interference.

The conferees agree to authorize an increase of $33.0 million in PE 63658N as follows:

(1) $15.0 million for low cost common equipment sets;

(2) $10.0 million for P–3 and E–2C integration;

(3) $5.0 million for CEC–SSDS integration; and

(4) $3.0 million for CEC–Hawk missile system integration.

The conferees agree not to authorize an increase in PE 64212N for the SH–60B Ku-band data link.

Composite engineered materials

The budget request included $1.7 million in PE 63725N for advanced development of materials, electronics and computer technologies.

The House bill would authorize an increase of $3.0 million to complete the shore facilities materials program in cost-shared research on carbon fiber-reinforced, recycled thermoplastic engineered lumber.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million to complete the shore facilities materials program in cost-shared research on carbon fiber-reinforced, recycled thermoplastic engineered lumber.

Land attack systems technology

The budget request included $37.8 million in PE 63795N for development, demonstration, and validation of land attack systems technology for naval ship-to-shore fire support.

The House bill would authorize the following increases:

(1) $15.1 million to complete the development and commence the integration of a fire control system to support the initial operational capability of the advanced 5″/62 caliber gun and the extended range guided munition;

(2) $10.0 million for flight test demonstration and risk reduction for the land attack Standard missile;

(3) $20.0 million for program definition and risk reduction activities to permit the Navy tactical missile system (NTACMS) to begin accelerated engineering and manufacturing development in fiscal year 1999; and

(4) $5.0 million to continue the microelectromechanical systems (MEMS) technology guidance and control risk reduction program.

The Senate amendment would authorize the following increases:

(1) $15.1 million for the continued development of the naval surface fire support warfare control system (NWCS);

(2) $5.0 million to pursue a flight demonstration program for the land attack Standard missile; and

(3) $20.0 million for developing NTACMS.

The conferees agree to authorize the following increases to PE 63795N:

(1) $8.0 million to complete the extended range guided munition development and commence the integration of a fire control system;

(2) $3.0 million to pursue a flight demonstration program for the land attack Standard missile;

(3) $10.0 million for developing NTACMS; and

(4) $2.0 million for MEMS.

The conferees are concerned that the Navy is pushing systems to flight test to meet surface fire support requirements without an initial analysis of whether the systems are capable of meeting Naval surface fire support requirements. In addition, a number of mature systems, sub-systems and components appear to be capable of fulfilling surface fire support requirements without further development. However, without the basic analysis which would allow the Navy to narrow the field of candidates intelligently, too many systems are moving toward fulfilling the same requirement and too many opportunities to take advantage of developed systems are being missed. To correct these deficiencies, the conferees strongly encourage the Navy to conduct the basic analysis necessary to move forward with a focused effort to meet the surface fire support requirement. To accomplish this, the conferees suggest the Navy evaluate the concept of a virtual land attack warfare development center that would electronically link existing expertise while avoiding expensive travel costs. The Navy should consider using funding from prime systems for meeting the surface fire support analytical requirement, including Standard missile, Navy tactical missile system, and Tomahawk. The conferees believe the Navy needs to conduct this analysis to eliminate redundancy and take advantage of mature technologies to make progress in meeting naval surface fire support requirements.

Nonlethal weapons and technologies of mass protection program

The budget request included $16.8 million for the nonlethal weapons (NLW) and technologies program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $3.3 million to address underfunding by the Department of Defense in support of nonlethal weapons technologies research and development program.

The Senate recedes.

The Senate report (S. Rpt. 105–29) expressed the view that the Department of Defense should continue to focus its efforts on developing weapons and technologies to assist U.S. military forces, who are increasingly involved in non-traditional military situations, with the necessary tools and flexibility to manage, shape, deter, or contain future conflicts across the operational spectrum. The conferees note the recent decision by the Department of Defense to ship nonlethal weapons and technologies to U.S. ground forces participating in the North Atlantic Treaty Organization (NATO) Stabilization Force (SFOR) during the recent violent confrontations between American forces and Bosnian Serb demonstrators.

The conferees commend the military services for their efforts in the NLW area and encourage the Department of Defense (DOD) to increase its investments in the research, development, and procurement of nonlethal weapons and technologies, as well as associated doctrinal and training initiatives. Further, the conferees expect the DOD to provide the funds necessary to fulfill the requirements for nonlethal weapons and technologies identified by the military services, rather than requiring the military services to fund NLW programs out of their existing budgets.

CH–60 helicopter development

The budget request included $31.8 million for CH–60 helicopter advance procurement.

The House bill and Senate amendment would authorize the budget request.

The conferees agree to authorize a transfer of $31.8 million from Aircraft Procurement, Navy to PE 64212N to enable the Navy to conduct non-recurring engineering efforts, including drawings for engineering development.

Parametric airborne dipping sonar

The budget request included no funds for the parametric airborne dipping sonar (PADS).

The Senate amendment would authorize an increase of $10.0 million in PE 64212N for the continued development of PADS.

The House bill authorized the budget request.

The conferees agree to authorize an increase of $5.0 million increase for PADS in PE 64212N.

P–3 maritime patrol aircraft modernization program

The budget request included $3.2 million in PE 64221N to continue engineering and manufacturing development of upgrades to the P–3C aircraft system to enhance surface and surface tracking, classification, and attack capabilities.

The House bill would authorize an increase of $12.0 million to continue and accelerate the integration of anti-surface warfare improvement program (AIP) sensors to reduce operator workload, modernize the operator-machine interface to take advantage of new displays and controls, provide additional sensor integration/enhancements, improve/automate tactical planning aids, and provide for multi-sensor data correlation and fusion.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million in PE 64221N for the P–3C maritime patrol aircraft modernization program as recommended in the House report (H. Rept. 105–132).

The conferees note the continuing disparity between the operational requirements of the unified commanders-in-chief (CINCs) and the Navy's plans for modernization of the P–3C fleet. The conferees direct the Secretary of the Navy to provide an assessment of the implications of this disparity to the congressional defense committees with the submission of the fiscal year 1999 defense budget request.

H–1 upgrades

The budget request included $80.7 million to support H–1 upgrades.

The House bill and Senate amendment would authorize a transfer of $5.6 million from the H–1 program in Navy procurement to support efforts to provide for a common cockpit in PE 64245N.

The conferees agree to authorize the transfer of $5.6 million from the H–1 upgrade program to PE 64245N for a total of $86.3 million in that program element. The conferees agree to authorize a total of $12.9 million for H–1 modifications.

Advanced ranging source

The budget request included $16.9 million in PE 64261N for engineering and manufacturing development of acoustic search sensors.

The House bill would authorize an increase of $4.0 million to accelerate the development of alternative shallow water-capable sound sources in the advanced extended echo ranging (AEER) program and ensure that unique acoustic technology is available for the advanced ranging source (ARS) and air deployed low frequency project (ADLFP) comparative program testing.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million for the purposes identified in the House report (H. Rept. 105–132).

High Power Discriminator

The budget request included no funds in PE 64307N to begin development of a High Power Discriminator (HPD).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $35.0 million for the HPD Program.

The conferees agree to authorize an increase of $25.0 million for the HPD Program in PE 64307N.

The conferees support the concept of using existing X-Band radar technology in support of the Navy's theater ballistic missile defense effort. The proposed HPD would consist of a solid state X-Band radar for long-range acquisition and discrimination for theater ballistic missile defense and cruise missile defense. This concept would leverage the significant investment already made in the Army's ground-based radar.

Maritime fire support demonstrator/arsenal ship

The budget request included $102.9 million in PE 64310N for the Navy and $47.2 million in PE 63763E for the Defense Advanced Research Projects Agency (DARPA) to continue development of the arsenal ship demonstrator. The budget request also included $55.0 million in PE 64567N for the Navy's next generation surface combatant, SC–21.

The House bill would authorize no funding for the arsenal ship program. It would direct the Under Secretary of Defense (Acquisition and Technology) and the Secretary of the Navy to review the acquisition strategy for the SC–21 program and determine whether or not a prototyping strategy is appropriate for the new surface combatant.

The Senate amendment would authorize an increase of $25.0 million in PE 64310N to ensure that sufficiently robust funding is available early in Phase III, the construction phase for the arsenal ship (now redesignated the maritime fire support demonstrator (MFSD)), for schedule risk reduction and to promote the introduction of new technologies into the demonstrator.

The conferees agree to authorize $35.0 million in PE 64310N and no funding in PE 63673E to continue the MFSD program, a total reduction of $105.2 million. The reduction reflects the concerns stated in the fiscal year 1997 and the fiscal year 1998 reports by the congressional defense committees and in the statement of managers which accompanied the conference report on H.R. 3230 (H. Rept. 104–724).

As noted in the House report (H. Rept. 105–132), the Navy's original concept for the arsenal ship was for the development and demonstration of a ''proof-of-principle strike warfare ship'' that would establish a new paradigm for the development and construction of Navy ships. A stealthy, highly survivable, heavily armed, and minimum manpower fire support ship, the arsenal ship demonstrator would be the prototype of a force of up to six such ships, each armed with as many as 500 vertical launch cells.

The Senate report (S. Rept. 105–29) noted that the Navy's concept for execution of the land attack mission has evolved from delivery of massive firepower from a limited number of single-mission hulls to delivery of fires by a closely interconnected, distributed network of multi-mission surface combatants. This evolution is reflected in the preferred option identified in the SC–21 cost and operational effectiveness analysis: a multi-mission destroyer optimized for land attack, the DD–21. The Navy has stated that the MFSD lies on the critical path to successful development of a DD–21 design in time to begin lead ship construction in fiscal year 2004. The Navy believes that all the technologies identified in the arsenal ship concept development phase will be relevant to the DD–21, and that the MFSD will also serve as a test-bed for emerging technologies following completion of the initial demonstration with the fleet in 2001. The conferees are deeply concerned that, although the stated purpose of the original arsenal ship demonstrator program changed significantly with the Navy's announcement of the new MFSD strategy in April 1997, the DARPA and the Navy continue to pursue the MFSD program without any apparent near-term change in the original program direction and without addressing the issues that have been previously raised by the congressional defense committees. The conferees understand that the program now under contract continues to focus on the development and demonstration of the arsenal ship concept, not on the maritime fire support demonstrator and its relationship to DD–21.

The conferees note the views expressed in the House report that the differences in ship size and mission capability between the Arsenal Ship and DD–21, as conceived, could yield two separate development programs and that the overlapping schedules for the demonstrator and the DD–21 program do not provide sufficient opportunity for the experience gained from the demonstrator to provide maximum benefit to design and construction of the DD–21.

The conferees believe that, if the MFSD program is to be relevant, the program must focus on the development and demonstration of new processes and procedures for the development and construction of Navy ships, and on the development and demonstration of technologies that might be used in the DD-21 or in other future Navy ship construction programs. The demonstrator program must be structured to achieve these ends and the development and demonstration of the technologies to be evaluated on the demonstrator must be explicitly defined, programmed, and funded. The conferees do not believe that the MFSD, as a demonstrator and test bed, should be funded in a program element for engineering and manufacturing development.

Therefore, the conferees direct the Secretary of Defense to prepare and submit to the congressional defense committees a plan for the development, demonstration, and evaluation of the MFSD and for development, demonstration, and evaluation of the various technologies that will be demonstrated and evaluated on the demonstrator. The technologies should include those being considered for incorporation in the detailed design of the DD-21, for subsequent technology insertion into the DD-21 program, or for use in other future naval ship construction programs. The plan shall include the management structure, program plan, schedule, and funding required for development of the MFSD and for development, demonstration and evaluation of each of the technologies under consideration. The conferees further direct that of the funds authorized to be appropriated for the MFSD program in fiscal year 1998, not more than 50 percent may be obligated until the plan is provided to the Congress.

The conferees also direct that any program to convert the MFSD to an operational surface combatant will require completion of a Milestone II/IV review and decision by the Secretary of Defense that formally addresses the same issues regarding the requirement and program for the MFSD that have been previously raised by the congressional defense committees with regard to the arsenal ship.

Multi-purpose processor

The budget request included $42.3 million in PE 64503N for SSN-688 and TRIDENT modernization, including $33.5 million for submarine sonar improvement. However, the budget request included no funds for the multi-purpose processor (MPP).

The House bill would authorize an increase of $15.0 million for advanced development and rapid introduction of the MPP into the U.S. submarine fleet.

The Senate amendment would authorize an increase of $25.0 million above the budget request in PE 64503N to be used as an SBIR follow-on for advanced development of MPP transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

The conferees agree to authorize an increase of $15.0 million for the SBIR follow-on for advanced development of MPP transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training.

Advanced submarine tactical electronic combat system

The budget request included $311.1 million in PE 64558N to continue engineering and manufacturing development for the New Attack Submarine (NSSN), including $95.8 million for NSSN combat system development.

The House bill would authorize an increase of $17.0 million in PE 64558N to restore the deferred elements of the advanced submarine tactical electronic combat system (ASTECS) and the integrated electronic support measures mast (IEM), ASTECS/IEM program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $8.0 million in PE 64558N to restore

the deferred elements of the ASTECS/IEM program.

CVN-77 research and development

The budget request included $17.9 million in PE 64567N for aircraft carrier contract design for the CVN-77.

The House bill would authorize an increase of $17.0 million to accelerate the evaluation of maturing advanced technologies for potential incorporation into the design of the CVN-77.

The Senate amendment would authorize an increase of $17.0 million in PE 63564N.

The conferees agree to authorize an increase of $17.0 million in PE 64567N to be used only for CVN-77 research, development, test and evaluation to accelerate the evaluation of maturing advanced technologies for potential incorporation into the design of CVN-77.

Ship self-defense system

The budget request included $132.3 million in PE 64755N for the Navy's ship self defense program including $8.2 million for continued development of the NULKA active countermeasures decoy.

The House bill would authorize an increase of $8.6 million to activate the integrated ship self-defense test site at Wallops Island, and would direct the Secretary of the Navy to provide $6.0 million from available funds to refurbish and install an AN/SPS-48E air search radar at the test site. The House bill would direct the Secretary of the Navy to reassess the requirement for close-in defense of Navy surface ships and report the results of the assessment and the plan for meeting the requirement to the congressional defense committees by February 28, 1998. Fiscal year 1998 funds would not be authorized to be obligated for the rolling airframe missile (RAM) upgrade program until 30 days after the congressional defense committees receive the Secretary's report.

The Senate amendment would authorize an increase of $34.0 million in PE 64755N, including:

(1) $19.0 to pursue the system integration needed to integrate the cooperative engagement capability (CEC), the advanced combat direction system (ACDS), and the ship self-defense system (SSDS) local area networks to create a single tactical picture and a central integrated combat direction system;

(2) $2.0 million for continued development of the NULKA decoy; and

(3) $13.0 million for accelerating the infrared search and track program (IRST).

The conferees agree to authorize the following ship self-defense increases to PE 64755N:

(1) $10.0 million to pursue the system integration needed to integrate the cooperative engagement capability (CEC), the advanced combat direction system (ACDS), and the ship self-defense system (SSDS) local area networks to create a single tactical picture and a central integrated combat direction for a quick reaction combat capability (QRCC);

(2) $4.0 million to activate the integrated ship self-defense test site at Wallops Island;

(3) $2.0 million for continued NULKA development; and

(4) $4.0 million to accelerate the IRST program.

The conferees direct the Secretary of the Navy to assess the requirement for close-in defense of Navy surface ships as discussed in the House report (H. Rept. 105-132), and to report the results of that assessment and the plans for meeting the requirement to the congressional defense committees by February 28, 1998.

Safety and survivability enhancements

The budget request included $263.9 million in PE 65864N for test and evaluation support.

The House bill would authorize an increase of $2.0 million to continue the program for procurement, test, and alveolation of commercial off-the-shelf non-development items (COTS NDI) that have high potential for contributing to safety of flight, fire fighting, damage control, emergency preparedness ashore, survival at sea, and chemical/biological warfare defense. The additional funds would permit the program to assess COTS NDI that are new to the industrial marketplace.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $1.0 million in PE 65864N for Navy safety and survivability enhancements.

E-2 eight-blade composite propeller system

The budget request included $64.9 million in PE 24152N for development of pre-planned product improvements in E-2C aircraft and weapon system capabilities, involving $39.4 million for E-2C mission system improvements.

The House bill would authorize an increase of $10.0 million to initiate a 24 month program for development and demonstration of an eight-blade composite propeller system for the E-2C.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request. The conferees understand that the Navy has advertised for bids and plans to award a contract to develop a new eight-blade composite propeller for the E-2C and C-2A aircraft to address existing system limitations and reduce maintenance and operations costs. The conferees direct the Secretary of the Navy to ensure that the solicitation and contract award process for the award of such a contract complies with Federal Acquisition Regulations.

Battle force tactical trainer

The budget request included $59.0 million in PE 24571N for consolidated training systems development, including $2.9 million for continued development of the battle force tactical training (BFTT) system.

The House bill would authorize an increase of $5.0 million for the integration of ship and battle force electronic surveillance systems into the BFTT system.

The Senate amendment would authorize the budget request.

The Senate recedes.

Joint tactical combat training system

The budget request included $59.0 million in PE 24571N for consolidated training systems development, including $33.6 million for continued development of the joint tactical combat training system (JTCTS). The JTCTS is a Navy-led, joint Air Force/Navy program for the development of fixed, transportable, and mobile range instrumentation for shore-based tactical air crew training and for deployable, at-sea naval expeditionary force training.

The House bill would authorize a reduction of $27.5 million to the budget request for JTCTS and would direct the Secretary of the Navy, in coordination with the Secretary of the Air Force, to conduct an assessment of the JTCTS requirement and development program and report the results of the assessment to the congressional defense committees by December 31, 1997.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request for the JTCTS program. The conferees understand that JTCTS is an Acquisition Category and an Office of the Secretary of Defense (OSD) special interest program, and that a thorough assessment and baseline review of the program was successfully completed in May 1997 by the Secretary of the Navy, the Secretary of the Air Force, a senior OSD review team and the Defense Test and Training Steering Group. The conferees further understand that the Navy Fleet commanders in chief have endorsed the JTCTS as their number two training range priority. The conferees also understand that the design of JTCTS provides a neck-down strategy for replacement of existing legacy training and test range instrumentation that will result in considerable savings when the planned transition to JTCTS begins in fiscal year 2000. The conferees strongly support the development and fielding of common training and test range instrumentation systems for the Air Force and the Navy and encourage the Secretary of Defense to ensure the maintenance of the schedule for development of JTCTS. The results of the program assessment directed in the House Report (H. Rept. 105–132) and any revisions to the program baseline, funding requirements, and schedule should be forwarded to the congressional defense committees by January 31, 1998.

Marine Corps communications systems

The budget request included $38.3 million to support development of Marine Corps communications systems.

The House bill would authorize an increase of $9.9 million to support development of Marine Corps communication system requirements. Of this amount, $2.0 million was for the tactical hand-held radio; $1.5 million was for tactical remote sensors; $0.7 million was for Marine common hardware suite (MCHS); $1.0 million was for the tactical electronic reconnaissance processor and intelligence systems; $5.0 million was for close-range unmanned aerial vehicle (UAV) data links; and a $0.3 million decrement was for the TENCAP program.

The Senate amendment would authorize an increase of $0.7 million for MCHS.

The conferees agree to authorize an increase of $7.0 million for a total of $45.3 million in PE 26313M. Of this amount, $2.0 million is for the tactical hand-held radios and $5.0 million is for the close-range UAV data link.

Marine Corps ground combat/supporting arms systems

The budget request included $12.6 million for Marine Corps ground combat system development initiatives.

The House bill would authorize an increase of $5.0 million in PE 26623M. Of this amount, $4.3 million would be used to integrate and test the AN/VVR–1 laser warning receiver on the M1A1 Abrams tank and $0.7 million would be used to support the development of Marine Corps clothing requirements.

The Senate amendment would support the budget request.

The confeeres agree to authorize an increase of $2.1 million in PE 26623M for the integration and testing of the AN/VVR–1 laser warning receiver on the Marine Corps M1A1 tank.

Manufacturing technology programs

The budget request included no funds for the Navy's manufacturing technology (MANTECH) program.

The House bill would authorize funding for the MANTECH program through section 211 of Title II, as noted elsewhere.

The Senate amendment would authorize an increase of $50.0 million in PE 78011N in order to address funding shortfalls in the MANTECH program for fiscal year 1998. The Senate amendment also required the Secretary of the Navy to provide a report to the congressional defense committees on his plan to strengthen and stabilize funding for the Navy MANTECH program.

The conferees agree to an increase of $55.0 million in PE 78011N for the MANTECH program. The conferees are once again disappointed in the Navy's budget request for the manufacturing technology (MANTECH) program. The program has traditionally focused on making weapon systems and equipment more affordable through the application of advanced manufacturing methods to weapon systems production. In this time of severe budget constraints, the conferees expect the Navy to make every effort to pursue programs directed at lowering the long-term cost of weapon systems.

Overview

The budget request for fiscal year 1998 contained an authorization of $14,451.4 million for Air Force, Research and Development in the Department of Defense. The House bill would authorize $14,659.7 million. The Senate amendment would authorize $14,302.3 million. The conferees recommended an authorization of $14,338.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL AF					
0601102F	1	DEFENSE RESEARCH SCIENCES	226,832	226,832	226,832		204,249
		Program Reduction				(18,000)	
		Math and Computer Science				(2,755)	
		Electronics				(1,828)	
0602102F	2	MATERIALS	70,224	70,224	70,224		70,224
0602201F	3	AEROSPACE FLIGHT DYNAMICS	60,509	60,509	60,509		60,509
0602202F	4	ARMSTRONG LAB EXPLORATORY DEVELOPMENT	76,102	76,102	76,102		76,102
0602203F	5	AEROSPACE PROPULSION	69,303	69,303	69,303		60,577
		Turbine Engine Technology				(6,861)	
		High Thermal Stability Hydrocarbon Fuel				(1,865)	
0602204F	6	AEROSPACE AVIONICS	69,401	69,401	69,401		62,144
		Photonic and A-to-D Technology				(2,701)	
		Inertial Navigation Unit Components				(3,216)	
		Program Reduction				(1,340)	
0602269F	7	HYPERSONIC TECHNOLOGY PROGRAM	9,840	9,840	9,840		9,840
0602601F	8	PHILLIPS LAB EXPLORATORY DEVELOPMENT	111,136	117,136	126,136		116,259
		IHPRPT		[+6,000]		4,750	
		Reusable Space Launch Technology			[+10,000]		
		HAARP			[+5,000]	5,000	
		Tactical Missile Propulsion				(3,127)	
		Coherent Laser Diode Arrays				(1,500)	
0602602F	9	CONVENTIONAL MUNITIONS	40,772	40,772	40,772		40,772
0602702F	10	COMMAND CONTROL AND COMMUNICATIONS	86,067	89,067	86,067		88,567
		Protein-Based Ultra-High Density Memory		[+3,000]		2,500	
0603106F	11	LOGISTICS SYSTEMS TECHNOLOGY	15,338	15,338	15,338		15,338
0603108F	12	INTEGRATED DATA SYSTEMS	19,753	19,753	19,753		19,753
0603112F	13	ADVANCED MATERIALS FOR WEAPON SYSTEMS	20,596	20,596	20,596		20,596
0603202F	14	AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,564	30,564	30,564		24,785
		Aircraft propulsion subsystem				(3,533)	
		Program Reduction				(2,246)	

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0603203F	15	ADVANCED AVIONICS FOR AEROSPACE VEHICLES	26,507	26,507	26,507		26,507
0603205F	16	FLIGHT VEHICLE TECHNOLOGY	5,766	5,766	5,766		5,766
0603211F	17	AEROSPACE STRUCTURES	15,032	15,032	15,032		10,423
		Program Reduction				(4,609)	
0603216F	18	AEROSPACE PROPULSION AND POWER TECHNOLOGY	37,014	37,014	37,014		35,183
		Advanced Turbine Engine Gas Generator		[-1,831]		(1,831)	
0603227F	19	PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY	6,147	6,147	6,147		6,147
0603231F	20	CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	17,204	19,204	17,204		20,704
		Ejection Seats		[+2,000]		3,500	
0603238F	21	GLOBAL SURVEILLANCE AND COMMUNICATION TECHNOLOGY					
0603245F	22	FLIGHT VEHICLE TECHNOLOGY INTEGRATION	7,795	7,795	7,795		6,423
		Program Reduction				(1,372)	
0603253F	23	ADVANCED AVIONICS INTEGRATION	12,716	12,716	12,716		12,716
0603270F	24	ELECTRONIC COMBAT TECHNOLOGY	25,621	39,621	39,621		30,621
		ALR-69M Radar Warning Receiver		[+14,000]	[+14,000]	5,000	
0603302F	25	SPACE AND MISSILE ROCKET PROPULSION	16,247	47,747	16,247		17,747
		Space Plane		[+15,000]			
		Scorpius		[+15,000]			
		IHPRPT		[+1,500]		1,500	
0603311F	26	BALLISTIC MISSILE TECHNOLOGY			8,300		4,800
		Missile Technology Demonstrations			[+8,300]	4,800	
0603401F	27	ADVANCED SPACECRAFT TECHNOLOGY	40,846	60,846	110,846		93,346
		Solar Thermionics Orbital Transfer Vehicle		[+20,000]	[+10,000]	7,500	
		Clementine 2			[+50,000]	30,000	
		Military Spaceplane			[+10,000]	10,000	
		Low Cost Launch Technology				5,000	
0603410F	28	SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY	3,151	3,151	3,151		3,151
0603601F	29	CONVENTIONAL WEAPONS TECHNOLOGY	26,227	29,727	26,227		24,687
		Optical Correlator		[+3,500]		1,500	
		Next Generation Air-to-Air Threats				(3,040)	
0603605F	30	ADVANCED WEAPONS TECHNOLOGY	41,238	56,238	56,238		49,238

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Autonomous Free-Flight Dispenser System		[+15,000]			
		Geo-Space Object Imaging			[+15,000]	10,000	
		High Energy Laser Technology				(2,000)	
0603707F	31	WEATHER SYSTEMS TECHNOLOGY	2,036	2,036	2,036		2,036
0603723F	32	ENVIRONMENTAL ENGINEERING TECHNOLOGY	4,084	4,084	4,084		4,084
0603726F	33	C3I SUBSYSTEM INTEGRATION	9,922	9,922	9,922		9,922
0603728F	34	ADVANCED COMPUTING TECHNOLOGY	5,613	5,613	5,613		5,613
0603789F	35	C3 ADVANCED DEVELOPMENT	12,897	12,897	13,297		13,297
		Tactical ATM Prototype			[+400]	400	
0305176F	36	COMBAT SURVIVOR EVADER LOCATOR					
0603260F	37	INTELLIGENCE ADVANCED DEVELOPMENT	4,738	4,738	4,738		4,738
0603319F	38	AIRBORNE LASER TECHNOLOGY	157,136	157,136	157,136		157,136
0603430F	39	ADVANCED MILSATCOM (SPACE)	41,448	41,448	41,448		41,000
		Program Reduction				(448)	
0603432F	40	POLAR ADJUNCT (SPACE)	29,585	29,585	29,585		15,000
		Program Reduction				(14,585)	
0603434F	41	NATIONAL POLAR-ORBITING OP ENVIRONMENTAL SATELLITE SYS (SPACE)	51,504	51,504	51,504		34,004
		Program Reduction				(17,500)	
0603441F	42	SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEM/VAL	222,401	222,401	222,401		217,401
		Program Reduction				(5,000)	
0603617F	43	COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	7,650	7,650	7,650		7,650
0603742F	44	COMBAT IDENTIFICATION TECHNOLOGY	1,395	1,395	1,395		1,395
0603790F	45	NATO RESEARCH AND DEVELOPMENT	13,433	13,433	15,433	(2,433)	11,000
0603800F	46	JOINT STRIKE FIGHTER (JSF) - DEM/VAL	458,052	431,052	458,052		458,052
		JSF		[-27,000]			
0603851F	47	INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	32,837	49,337	32,837		49,337
		Conventional Ballistic Missile		[+16,500]		16,500	
0603852F	48	C-130J - DEM/VAL	3,968	3,968	3,968		3,968
0603853F	49	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)- DEM/VAL	63,260	63,260	63,260		63,260
0603854F	50	GLOBAL BROADCAST SERVICE	56,977	56,977	56,977		56,977
0603855F	51	SPACE ARCHITECT OFFICE					

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604237F	52	VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT			8,000		6,000
		Variable Stability In-Flight Simulator Test Aircraft			[+8,000]	6,000	
0604327F	53	HARDENED TARGET MUNITIONS	4,981	4,981	4,981		4,981
0208030F	54	WAR RESERVE MATERIEL - AMMUNITION					
0604201F	55	INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	16,494	16,494	16,494		16,494
0604218F	56	ENGINE MODEL DERIVATIVE PROGRAM (EMDP)	741	741	741		741
0604222F	57	NUCLEAR WEAPONS SUPPORT	4,782	4,782	4,782		4,782
0604226F	58	B-1B	216,886	216,886	216,886		212,886
		CMUP Engineering Change Order Reduction				(4,000)	
0604227F	59	TRAINING SYSTEMS DEVELOPMENT	4,305	4,305	4,305		4,305
0604231F	60	C-17 PROGRAM					
0604233F	61	SPECIALIZED UNDERGRADUATE PILOT TRAINING	80,238	80,238	80,238		72,238
		JPATS GBTS contract savings				(5,000)	
		T-38 Contract Protest Delay				(3,000)	
0604239F	62	F-22 EMD	2,071,234	2,071,234	1,651,234		2,077,234
		F-22 EMD			[-420,000]		
		Out-of-Production Parts Redesign				6,000	
0604240F	63	B-2 ADVANCED TECHNOLOGY BOMBER	355,750	355,750	377,550		355,750
0604243F	64	MANPOWER, PERSONNEL AND TRAINING DEVELOPMENT	4,534	4,534	4,534		4,534
0604249F	65	NIGHT/PRECISION ATTACK					
0604268F	66	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM					
0604270F	67	EW DEVELOPMENT	78,465	78,465	78,465		73,465
		F-15 IDECM Contract Award Delay				(3,000)	
		F-15 CMWS Cancellation				(2,000)	
0604321F	68	COMBAT INTELLIGENCE SYSTEM -EMD					
0604441F	69	SPACE BASED INFRARED ARCHITECTURE (SPACE) - EMD	338,413	338,413	338,413		338,413
0604479F	70	MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	676,690	676,690	676,690		676,690
0604480F	71	GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	71,094	71,094	71,094		71,094
0604600F	72	MUNITIONS DISPENSER DEVELOPMENT	18,076	18,076	18,076		15,914
		WCMD Contract Savings				(1,300)	
		WCMD Procurement				(862)	

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604602F	73	ARMAMENT/ORDNANCE DEVELOPMENT	1,597	1,597	1,597		1,597
0604604F	74	SUBMUNITIONS	4,956	4,956	4,956		4,956
0604617F	75	AIR BASE OPERABILITY	1,424	1,424	1,424		1,424
0604618F	76	JOINT DIRECT ATTACK MUNITION	19,553	19,553	19,553		19,553
0604703F	77	AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	4,354	4,354	4,354		4,354
0604704F	78	COMMON SUPPORT EQUIPMENT DEVELOPMENT					
0604706F	79	LIFE SUPPORT SYSTEMS	3,726	3,726	3,726		3,726
0604708F	80	CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,698	2,698	2,698		2,698
0604711F	81	SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS)					
0604727F	82	JOINT STANDOFF WEAPONS SYSTEMS	24,676	24,676	24,676		24,676
0604735F	83	COMBAT TRAINING RANGES	20,331	20,331	20,331		20,331
0604740F	84	COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	1,459	1,459	1,459		1,459
0604750F	85	INTELLIGENCE EQUIPMENT	1,287	1,287	1,287		1,287
0604754F	86	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	8,557	8,557	8,557		8,557
0604770F	87	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM (JSTARS)					
0604779F	88	JOINT INTEROPERABILITY OF TACTICAL CMD & CONTROL SYS (JINTACCS)	5,929	5,929	5,929		5,929
0604851F	89	INTERCONTINENTAL BALLISTIC MISSILE - EMD	137,944	152,944	152,944		152,944
		Minuteman MK-21 Enhanced Safety Reentry Vehicle		[+15,000]	[+15,000]	15,000	
0604853F	90	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE) - EMD	28,376	28,376	28,376		28,376
0207320F	91	SENSOR FUSED WEAPONS	19,804	19,804	19,804		19,804
0207325F	92	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	203,321	203,321	203,321		170,021
		Program Reduction w/o Prejudice				(76,321)	
		JSLAM				43,021	
0207414F	93	COMBAT INTELLIGENCE SYSTEM	12,267	12,267	12,267		12,267
0303606F	94	UHF SATELLITE COMMUNICATIONS					
0305176F	95	COMBAT SURVIVOR EVADER LOCATOR	4,315	4,315	4,315		4,315
0603402F	96	SPACE TEST PROGRAM (SPACE)	42,241	42,241	42,241		42,241
0604256F	97	THREAT SIMULATOR DEVELOPMENT	51,846	51,846	51,846		50,346
		Program Reduction				(1,500)	
0604258F	98	TARGET SYSTEMS DEVELOPMENT	4,780	4,780	4,780		4,780
0604759F	99	MAJOR T&E INVESTMENT	47,336	62,136	41,336		54,336

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Range Improvement Program		[+14,800]		10,000	
		Infrastructure Reduction			[-6,000]	(3,000)	
0605101F	100	RAND PROJECT AIR FORCE	21,768	21,768	21,768		21,768
0605306F	101	RANCH HAND II EPIDEMIOLOGY STUDY	10,933	10,933	10,933		10,933
0605502F	102	SMALL BUSINESS INNOVATION RESEARCH					
0605704F	103	THEATER AIR DEFENSE BMC4I					
0605712F	104	INITIAL OPERATIONAL TEST & EVALUATION	28,319	28,319	28,319		28,319
0605807F	105	TEST AND EVALUATION SUPPORT	389,348	397,348	389,348		387,848
		Bomber Testing Facility Enhancement		[+8,000]		6,000	
		Aircraft Support Reduction				(1,000)	
		Program Reduction				(6,500)	
0605808F	106	DEVELOPMENT PLANNING	6,049	6,049	4,549		4,549
		Infrastructure Reduction			[-1,500]	(1,500)	
0605853F	107	ENVIRONMENTAL CONSERVATION	11,914	11,914	11,914		11,914
0605854F	108	POLLUTION PREVENTION	5,880	10,880	5,880		9,880
		Smart Monitoring System		[+5,000]			
		E-SMART				4,000	
0605856F	109	ENVIRONMENTAL COMPLIANCE	17,126	17,126	17,126		17,126
0605860F	110	ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	8,013	33,013	8,013		28,013
		Atmospheric Interceptor Technology		[+25,000]		20,000	
0605876F	111	MINOR CONSTRUCTION (RPM) - RDT&E	1,853	1,853	1,853		1,853
0605878F	112	MAINTENANCE AND REPAIR (RPM) - RDT&E	55,200	55,200	58,000		56,000
		Aircraft Landing Gear Overhaul Engineering			[+6,000]	4,000	
		Infrastructure Reduction			[-3,200]	(3,200)	
0605879F	113	REAL PROPERTY SERVICES (RPS) - RDT&E	49,614	49,614	49,614		49,614
0605896F	114	BASE OPERATIONS - RDT&E	65,365	65,365	65,365		65,365
0909900F	115	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS					
1001004F	116	INTERNATIONAL ACTIVITIES	3,715	3,715	0		3,715
0603107F	117	TECHNICAL EVALUATION SYSTEM	[---]	[---]	[---]		[---]
0603110F	118	SPECIAL EVALUATION SYSTEM	[---]	[---]	[---]		[---]
0101113F	119	B-52 SQUADRONS	3,427	3,427	3,427		3,427

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0101120F	120	ADVANCED CRUISE MISSILE	2,393	2,393	2,393		2,393
0102325F	121	JOINT SURVEILLANCE SYSTEM	2,020	2,020	2,020		2,020
0102326F	122	REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION PRGM	20,512	20,512	20,512		20,512
0102411F	123	NORTH ATLANTIC DEFENSE SYSTEM	1,442	1,442	1,442		1,442
0102412F	124	NORTH WARNING SYSTEM (NWS)					
0207129F	125	F-111 SQUADRONS					
0207131F	126	A-10 SQUADRONS					
0207133F	127	F-16 SQUADRONS	100,233	100,233	100,233		100,233
0207134F	128	F-15E SQUADRONS	137,538	137,538	137,538		137,538
0207136F	129	MANNED DESTRUCTIVE SUPPRESSION	13,561	16,561	13,561		13,561
		HARM		[+3,000]			
0207141F	130	F-117A SQUADRONS	9,520	9,520	9,520		9,520
0207161F	131	TACTICAL AIM MISSILES	53,171	53,171	53,171		53,171
0207163F	132	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	50,781	50,781	50,781		43,781
		GAO Recommended Reduction				(4,000)	
		Delay AMRAAM P3I Phase III				(3,000)	
0207217F	133	PODDED RECONNAISSANCE SYSTEM	299	299	299		299
0207247F	134	AF TENCAP	15,251	14,051	15,251		15,251
		TENCAP		[-1,200]			
0207248F	135	SPECIAL EVALUATION PROGRAM	73,107	73,107	73,107		73,107
0207268F	136	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	93,122	93,122	93,122		93,122
0207320F	137	SENSOR FUSED WEAPONS					
0207323F	138	AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYSTEM			3,500		
		CALCM Hard Target Penetrator			[+3,500]		
0207412F	139	THEATER AIR CONTROL SYSTEMS	393	393	393		393
0207417F	140	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	46,807	46,807	56,807		46,807
		AWACS Cruise Missile Defense Upgrade			[+10,000]		
0207419F	141	TACTICAL AIRBORNE COMMAND AND CONTROL SYSTEMS					
0207423F	142	ADVANCED COMMUNICATIONS SYSTEMS	2,966	2,966	2,966		2,966
0207424F	143	EVALUATION AND ANALYSIS PROGRAM	74,917	74,917	74,917		74,917
0207431F	144	COMBAT AIR INTELLIGENCE SYSTEM ACTIVITIES					

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0207433F	145	ADVANCED PROGRAM TECHNOLOGY	95,056	95,056	95,056		95,056
0207438F	146	THEATER BATTLE MANAGEMENT (TBM) C4I	24,013	24,013	28,013		27,013
		TBM ASOC Connectivity			[+4,000]	3,000	
0207579F	147	ADVANCED SYSTEMS IMPROVEMENTS					
0207581F	148	JOINT SURVEILLANCE AND TARGET ATK RADAR SYSTEM (JOINT STARS)	119,189	119,189	129,189		122,189
		JSTARS Cruise Missile Defense Upgrade			[+10,000]	3,000	
0207590F	149	SEEK EAGLE	17,716	17,716	17,716		17,716
0207591F	150	ADVANCED PROGRAM EVALUATION	214,011	214,011	214,011		214,011
0207601F	151	USAF MODELING AND SIMULATION	21,718	21,718	21,718		21,718
0208006F	152	MISSION PLANNING SYSTEMS	16,526	16,526	16,526		16,526
0208021F	153	INFORMATION WARFARE SUPPORT	[---]	[---]	[---]		[---]
0208060F	154	THEATER MISSILE DEFENSES	29,182	29,182	29,182		29,182
0208160F	155	TECHNICAL EVALUATION SYSTEM	105,645	105,645	105,645		105,645
0208161F	156	SPECIAL EVALUATION SYSTEM	40,344	40,344	40,344		40,344
0301310F	157	FOREIGN TECHNOLOGY DIVISION	[---]	[---]	[---]		[---]
0301313F	158	DEFENSE DISSEMINATION PROGRAM	[---]	[---]	[---]		[---]
0301315F	159	MISSILE AND SPACE TECHNICAL COLLECTION	[---]	[---]	[---]		[---]
		MASIINT SDTF			[+4,200]		
0301324F	160	FOREST GREEN	[---]	[---]	[---]		[---]
0301398F	161	MANAGEMENT HEADQUARTERS GDIP	1,360	1,360	1,360		1,360
0303110F	162	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	10,547	10,547	10,547		10,547
0303131F	163	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	34,409	34,409	34,409		34,409
0303140F	164	INFORMATION SYSTEMS SECURITY PROGRAM	5,298	10,298	5,298		5,298
		Air Force Information Protection Program		[+2,700]			
		Trusted Rubix		[+2,300]			
0303141F	165	GLOBAL COMBAT SUPPORT SYSTEM	20,894	20,894	20,894		20,894
0303144F	166	ELECTROMAGNETIC COMPATIBILITY ANALYSIS CENTER (ECAC)	7,844	7,844	7,844		7,844
0303152F	167	WORLD-WIDE MIL CMD AND CONTROL SYS, INFORMATION SYS	6,820	6,820	6,820		6,820
0303601F	168	MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	12,871	12,871	12,871		12,871
0304111F	169	SPECIAL ACTIVITIES	[---]	[---]	[---]		[---]
0304311F	170	SELECTED ACTIVITIES	3,000	3,000	3,000		3,000

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0305110F	171	SATELLITE CONTROL NETWORK (SPACE)	80,011	80,011	80,011		80,011
0305111F	172	WEATHER SERVICE	9,057	9,057	9,057		9,057
0305114F	173	AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM (ATCALS)	6,571	6,571	6,571		6,571
0305119F	174	MEDIUM LAUNCH VEHICLES (SPACE)	5,719	5,719	5,719		5,719
0305128F	175	SECURITY AND INVESTIGATIVE ACTIVITIES	530	530	530		530
0305137F	176	NATIONAL AIRSPACE SYSTEM (NAS) PLAN	12,830	12,830	12,830		12,830
0305138F	177	UPPER STAGE SPACE VEHICLES (SPACE)	3,337	3,337	3,337		3,337
0305142F	178	APPLIED TECHNOLOGY AND INTEGRATION	[---]	[---]	[---]		[---]
0305144F	179	TITAN SPACE LAUNCH VEHICLES (SPACE)	82,384	67,384	82,384		74,884
		Program Reduction		[-15,000]		(7,500)	
0305145F	180	ARMS CONTROL IMPLEMENTATION					
0305154F	181	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		14,990			14,990
		Predator		[+14,990]		14,990	
0305158F	182	TACTICAL TERMINAL	258	258	258		258
0305160F	183	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	14,076	14,076	14,076		14,076
0305164F	184	NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT) (SPACE)	46,300	46,300	46,300		46,300
0305165F	185	NAVSTAR GLOBAL POSITIONING SYS (SPACE AND CONTROL SEGMENTS)	26,685	26,685	26,685		26,685
0305172F	186	COMBINED ADVANCED APPLICATIONS	[---]	[---]	[---]		[---]
0305182F	187	EASTERN SPACE LAUNCH FACILITY (ESLF) (SPACE)	34,186	34,186	34,186		34,186
0305906F	188	NCMC - TW/AA SYSTEM	7,362	7,362	7,362		7,362
0305910F	189	SPACETRACK (SPACE)	28,573	28,573	28,573		28,573
0305911F	190	DEFENSE SUPPORT PROGRAM (SPACE)	23,193	23,193	23,193		23,193
0305913F	191	NUDET DETECTION SYSTEM (SPACE)	14,145	14,145	14,145		14,145
0305917F	192	SPACE ARCHITECT	14,590	14,590	14,590		14,590
0305953F	193	EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV) (SPACE)					
0308610F	194	INFORMATION MANAGEMENT-AUTOMATION-PROGRAM 3					
0401119F	195	C-5 AIRLIFT SQUADRONS	9,751	9,751	30,151		9,751
		C-5 Modernization			[+20,400]		
0401130F	196	C-17 AIRCRAFT	113,605	113,605	113,605	(3,000)	110,605
0401214F	197	AIR CARGO MATERIAL HANDLING (463-L) (NON-IF)	7,947	7,947	7,947		5,947
		Program Reduction				(2,000)	

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0401218F	198	KC-135S	1,992	1,992	1,992		1,992
0404102F	199	AEROSPACE RESCUE AND RECOVERY					
0702207F	200	DEPOT MAINTENANCE (NON-IF)	1,482	1,482	1,482		1,482
0708011F	201	INDUSTRIAL PREPAREDNESS	48,429	48,429	48,429		48,429
0708026F	202	PROD, RELIABILITY, AVAILABILITY, MAINTAIN. PROG OFC (PRAMPO)	1,032	1,032	1,032		1,032
0708611F	203	SUPPORT SYSTEMS DEVELOPMENT	3,657	3,657	3,657		3,657
0804734F	204	CRYPTOLOGIC/SIGINT-RELATED SKILL TRAINING	1,427	1,427	1,427		1,427
0901218F	205	CIVILIAN COMPENSATION PROGRAM	6,497	6,497	6,497		6,497
1001004F	206	INTERNATIONAL ACTIVITIES					
1001018F	207	NATO JOINT STARS	36,061	36,061	36,061		26,061
		Phase II proposal preparation				(3,000)	
		Interim logistics support long lead				(7,000)	
XXXXXX	999	CLASSIFIED PROGRAMS	4,684,348	4,733,615	4,746,248	(35,933)	4,648,415
		Economic Assumptions				(76,000)	(76,000)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL AF	14,451,379	14,659,736	14,302,264	(112,445)	14,338,934

Integrated High Payoff Rocket Propulsion Technology

The budget request included $48.1 million for rocket propulsion technology in the Integrated High Payoff Rocket Propulsion Technology (IHPRPT) initiative programs.

The House bill would authorize $57.6 million for IHPRPT programs, an increase of: $6.0 million to PE 62601F; $1.5 million to PE 63302F; $1.0 million to PE 62111N; and $1.0 million to PE 63217N.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $55.4 million for IHPRPT initiative programs, an increase of: $4.8 million to PE 62601F; $1.5 million to PE 63302F; and $1.0 million to PE 63217N.

Military Spaceplane

The budget request included no funds for the Military Spaceplane technology program.

The House bill would authorize an increase of $15.0 million in PE 63302F for the Military Spaceplane program.

The Senate amendment would authorize an increase of $10.0 million in PE 63401F for the Military Spaceplane program.

The conferees agree to authorize an increase of $10.0 million for the Military Spaceplane program in PE 63401F.

Although the National Space Launch Policy assigns to NASA the lead for reusable launch vehicle development, the Department of Defense has been participating in such activities for many years. The Air Force has developed a military spaceplane program to complement NASA's efforts while focusing on specific military requirements and applications, a responsibility that does not reside with NASA. The Commander-in-Chief of U.S. Space Command is in the process of identifying military requirements for such a program and the Air Force has established a program office and a new program element to manage this activity. The Air Force is also working to include funding in the Future Years Defense Program for this effort. The conferees do not view these actions as duplicative of NASA's work on reusable launch vehicles.

The conferees believe that the Department of Defense should begin to define a military spaceplane concept that meets legitimate military requirements in the future while exploiting technological progress made in NASA's reusable launch vehicle program. The conferees direct the Secretary of Defense to provide a report describing the status of this effort to the congressional defense committees by February 15, 1998.

Solar thermionics orbital transfer vehicle

The budget request included no funds for the solar thermionics orbital transfer vehicle program.

The House bill would authorize an increase of $20.0 million in PE 63401F for the solar thermionics orbital transfer vehicle program.

The Senate amendment would authorize an increase of $10.0 million for this program.

The conferees agree to authorize an increase of $7.5 million in PE 63401F for the solar thermionics orbital transfer vehicle.

The conferees have supported thermionics technology development for space applications. The solar powered orbital transfer vehicle has been identified by the Air Force as a Third Millennium initiative. This program combines thermionic technology for electricity production and thermal propulsion which can be used to move spacecraft to higher or new orbits.

Joint air-to-surface standoff missile/standoff land attack missile-expanded response

The budget request included $9.6 million in PE 64312N and $203.3 million in PE 27325F for development of the Air Force/Navy Joint Air to Surface Standoff Missile (JASSM) program and $28.9 million in PE 64603N to continue development of the Navy's Standoff Land Attack Missile-Enhanced Response (SLAM-ER) program. The request also included $21.7 million for procurement of 22 SLAM-ER missiles for the Navy.

The House bill and the Senate amendment would authorize the budget request for JASSM and for SLAM-ER.

The conferees direct the Secretary of Defense to include SLAM-ER plus and the two alternative systems that are funded in the JASSM program in the Analysis of Alternatives for JASSM.

Accordingly, the conferees agree to authorize $5.5 million in PE 64321N and $170.0 million in PE 27325F to continue the JASSM program, $28.9 million in PE 64603N to continue the development of SLAM-ER, and $21.7 million for SLAM-ER procurement.

JOINT AIR-TO-SURFACE STANDOFF MISSILE/STANDOFF LAND ATTACK MISSILE

[In millions of dollars]

Program element and description	Budget request	HNSC	SASC	Conference agreement	Change
PE64312N—Tri-Service Standoff Attack Missile	9.6	9.6	9.6	5.5	-4.1
PE27325F—Joint Air-to-surface standoff missile	203.3	203.3	203.3	170.0	-33.3
PE64603N—Unguided Conventional Air-launched Weapons (SLAM ER)	28.9	28.9	28.9	28.9	.....
WPN line 18—Harpoon Mods (SLAM ER)	21.7	21.7	21.7	21.7	.....
Total	263.5	263.5	263.5	226.1	-37.4

The conferees note that the lack of agreement between the Navy and the Air Force on the conduct of the JASSM program calls for clear guidance from the Secretary of Defense. The Secretary has four obvious alternatives to examine that could have entirely different effects on future budgets.

(1) Develop JASSM to meet the operational needs of the Navy and the Air Force, with SLAM-ER not procured beyond an interim capability.

(2) Continue the JASSM program as a joint program for both the Navy and Air Force, while the Navy continues a separate development of SLAM-ER as currently planned.

(3) Develop separate programs for the Navy and the Air Force, with SLAM-ER as the Navy choice, and JASSM as the Air Force selection.

(4) Develop SLAM-ER as the single program for both the Air Force and the Navy.

The conferees direct the Secretary of Defense to review the SLAM-ER and JASSM programs and alternatives outlined above and to report to the congressional defense committees within 60 days of the enactment of this Act.

Major test and evaluation investment

The budget request included $47.3 million in PE 64759F for major test and evaluation investment.

The House bill would authorize an increase of $14.8 million for range improvement program/modernize range C41 capabilities.

The Senate amendment would authorize a decrease of $6.0 million for infrastructure reduction.

The conferees agree to authorize an increase of $10.0 million for the range modernization described in the House report (H. Report. 105-132). The conferees also agree to a general reduction of $3.0 million in PE 64759F.

Smart monitoring system

The budget request included $5.9 million for pollution prevention in PE 65854F.

House bill would authorize an additional $5.0 million in PE 65854F to expand Air Force demonstration efforts related to the smart monitoring system, a real-time monitoring technology for soil and groundwater contamination.

The Senate amendment would authorize the budget request. The conferees agree to authorize an increase of $4.0 million in PE 65854F for the smart monitoring system.

Rocket Systems Launch Program

The budget request included $8.0 million in PE 65860F for the Rocket Systems Launch Program (RSLP).

The House bill would authorize an increase of $25.0 million for RSLP to support the launch of an Atmospheric Intercept Technology (AIT) demonstration payload.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $20.0 million for RSLP in support of the AIT program. The conferees direct the Ballistic Missile Defense Organization and the Air Force to develop a coordinated implementation plan for executing the RSLP and AIT budgets in order to maximize the benefit to the AIT program.

Cruise missile defense

The budget request included no funds to begin transitioning sensor technology from the Defense Advanced Research Projects Agency (DARPA) to the Air Force for insertion into the Airborne Warning and Control System (AWACS) or the Joint Surveillance Target Attack Radar System (JSTARS) for cruise missile defense.

The House bill would authorize the budget request.

The Senate amendment would authorize increases of $10.0 million to PE 27417F to begin the necessary upgrades to AWACS, and $10.0 million to PE 27581F to begin necessary upgrades to JSTARS.

The conferees agree to authorize an increase of $3.0 million in PE 27581F to begin necessary upgrades to JSTARS for cruise missile defense.

Given the growing threat posed by cruise missiles, the conferees continue to support development of a comprehensive cruise missile defense architecture, integrated into DOD's overall air and theater missile defense efforts. Because counter cruise missile technologies have matured at DARPA, and because DARPA funding to support key sensor technologies ends in fiscal year 1998, the conferees strongly urge the Air Force to begin to integrate these technologies into operational platforms, specifically into the AWACS and JSTARS platforms. The conferees expect the Air Force to assume these

two important initiatives. To support these efforts, the conferees encourage the Air Force to prepare expeditiously the report on cruise missile defense directed in the statement of managers accompanying the conference report on H.R. 2266 (H. Rept. 105-265). The conferees understand that the Air Force's report could conclude that the Air Force should apply additional funds to cruise missile defense upgrades to the AWACS or JSTARS programs during fiscal year 1998 beyond those approved in this Act. If that is the conclusion of the report, the conferees would be willing to entertain a request to reallocate funds within the AWACS or JSTARS programs, or to reprogram funds from other activities.

Overview

The budget request for fiscal year 1998 contained an authorization of $9,069.7 million for Defense-Wide, Research and Development in the Department of Defense. The House bill would authorize $9,611.0 million. The Senate amendment would authorize $9,796.8 million. The conferees recommended an authorization of $9,546.1 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION
(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE					
0601101D	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,169	2,169	2,169		1,569
		Program Reduction				(600)	
0601101E	2	DEFENSE RESEARCH SCIENCES	76,009	76,009	76,009		70,000
		Program Reduction				(6,009)	
0601103D	3	UNIVERSITY RESEARCH INITIATIVES	237,788	224,788	237,788		227,788
		University Research Initiatives		[-23,000]		(20,000)	
		DEPSCoR		[+10,000]	[20,000]	10,000	
0601110D	4	FOCUSED RESEARCH INITIATIVES					
0601111D	5	GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEARCH	14,713	14,713	14,713		7,713
		Program Reduction				(7,000)	
0601384BP	6	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,190	25,190	27,190		25,190
		CB Point Detection Technology			[+2,000]	0	
0602110E	7	NEXT GENERATION INTERNET	40,000	55,000	40,000		42,000
		NGI Revolutionary Applications		[+15,000]		2,000	
0602160D	8	COUNTERPROLIFERATION SUPPORT					
0602173C	9	SUPPORT TECHNOLOGIES - APPLIED RESEARCH	101,932	111,932	115,932		113,932
		Wide Bandgap Semiconductors		[+10,000]	[+14,000]	12,000	
0602227D	10	MEDICAL FREE ELECTRON LASER	20,841	20,841	20,841		20,841
0602228D	11	HISTORICALLY BLACK COLLEGES AND UNIVERS (HBCU) SCIENCE AND ENG	11,485	11,485	11,485		11,485
0602234D	12	LINCOLN LABORATORY RESEARCH PROGRAM	20,474	20,474	20,474		18,474
		Program Reduction				(2,000)	
0602301E	13	COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	341,752	346,252	344,252		327,557
		Reuse Technology Adoption Program		[+4,500]	[+2,500]	2,500	
		Program Reduction				(16,695)	
0602383E	14	BIOLOGICAL WARFARE DEFENSE	61,600	61,600	55,100		55,100
		Human Monoclonal Antibodies			[1,500]		
		General Reduction			[-6,500]	(6,500)	
0602384BP	15	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	60,023	70,823	70,523		70,523
		Safeguard		[+10,800]	[+6,000]	3,000	
		CBIRF Biological Detectors			[+4,500]		

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		Chem Bio defense research				7,500	
0602702E	16	TACTICAL TECHNOLOGY	157,329	113,429	160,329		141,329
		Program Reduction		[-43,900]		(10,000)	
		Facial recognition technology				[3000]	
		Small, Low-cost Interceptor Device (SLID)			[+3,000]		
		Compact Lasers				(3,000)	
		Chemically Specific Detection				(3,000)	
0602708E	17	INTEGRATED COMMAND AND CONTROL TECHNOLOGY	37,000	60,000	55,000		49,000
		Flat Panel Display Technology		[+23,000]	[+18,000]	12,000	
0602712E	18	MATERIALS AND ELECTRONICS TECHNOLOGY	192,192	199,692	207,692		224,192
		3-D Microelectronics		[+7,500]		5,000	
		Hard Carbon Coatings			[+1,000]	1,000	
		Seamless High Off-Chip Connectivity			[+7,500]	6,000	
		Multitechnology Integration in Mixed Mode Electronics			[+7,000]	7,000	
		EUV Lithography/Nanofabrication Laboratory		[+6,000]		6,000	
		Life Support Trauma and Transport				4,000	
		Cryogenic Electronics				3,000	
0602715H	19	DEFENSE SPECIAL WEAPONS AGENCY	211,971	211,971	229,971		207,593
		Radiation Exposure Bioassay/Ionizing Radiation Bioassay Testing		[300]			
		DSWA Core Competencies			[+15,000]	12,000	
		EMP Vulnerability			[+3,000]		
		Program Reduction				(16,378)	
0602787D	20	MEDICAL TECHNOLOGY	8,987	8,987	8,987		8,987
0305108K	21	COMMAND AND CONTROL RESEARCH	1,937	1,937	1,937		1,937
0603002D	22	MEDICAL ADVANCED TECHNOLOGY	2,778	2,778	2,778		2,778
0603104D	23	EXPLOSIVES DEMILITARIZATION TECHNOLOGY	12,259	15,259	18,259		12,259
		Conventional Munitions Demil Tech/Blast Chamber Demo		[+3,000]	[+6,000]		
0603105D	24	MILITARY HIV RESEARCH					
0603120D	25	DEMINING	7,663	7,663	7,663		16,663
		Demining Technologies				9,000	
0603121D	26	ALTERNATIVE TO LANDMINES	2,990	2,990	2,990		2,990

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0603122D	27	COUNTERTERROR TECHNICAL SUPPORT	34,863	41,863	54,863		37,863
		Safety Devices		[+2,000]			
		Facial Recognition Technology		[+5,000]	[+5,000]		
		Structural Response & Blast Mitigation			[+6,000]		
		Counter-Terrorist Explosive Research			[+6,000]		
		Counter- Terrorist technical research			[+3,000]	3,000	
0603160D	28	COUNTERPROLIFERATION SUPPORT - ADV DEV	58,264	61,264	72,264		68,264
		Counterproliferation Analysis & Planning System		[+3,000]	[+10,000]	7,000	
		HAARP			[+3,000]	3,000	
		Portable Trace Element Detection System			[+1,000]		
0603173C	29	SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPMENT	147,557	172,557	321,957		306,557
		Atmospheric Interceptor Technology		[+25,000]	[+40,000]	30,000	
		Space-Based Laser - Readiness demonstrator			[+118,000]	98,000	
		MSX Satellite			[+6,400]	5,000	
		Low Cost Launch Technology			[+10,000]	5,000	
		APEX Program		[+10,000]		8,000	
		Russian American Observational Satellite (RAMOS)		[+15,000]		13,000	
0603225D	30	JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	16,141	16,141	16,141		16,141
0603226E	31	EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECHNOLOGIES					
0603232D	32	AUTOMATIC TARGET RECOGNITION	4,789	4,789	4,789		4,789
0603384BP	33	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADV DEVELOPMENT	41,223	42,816	41,223		41,223
		Vaccine Advanced Development		[+1,593]			
0603569E	34	ADVANCED SUBMARINE TECHNOLOGY					
0603570E	35	DEFENSE REINVESTMENT					
0603704D	36	SPECIAL TECHNICAL SUPPORT	11,750	9,750	11,750		9,750
		Program Reduction		[-2,000]		(2,000)	
0603711H	37	VERIFICATION TECHNOLOGY DEMONSTRATION	83,370	69,070	73,370		69,070
		Nuclear Arms Control		[-14,300]	[-10,000]		
		Program Reduction				(14,300)	
0603712S	38	GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,267	17,267	17,267		17,267
0603716D	39	STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	54,874	57,874	54,874		57,874

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		Environmentally Safe Energetic Materials		[+3,000]		3,000	
0603726D	40	JOINT TECHNOLOGY INSERTION PROGRAM					
0603727D	41	JOINT WARFIGHTING PROGRAM	14,172	14,172	14,172		9,172
		Program Reduction				(5,000)	
0603728D	42	AGILE PORT DEMONSTRATION					
0603729D	43	ROCKET LAUNCH FACILITY UPGRADES					
0603730D	44	AIRFIELD SURFACE TRAFFIC MONITORING					
0603738D	45	COOPERATIVE DOD/VA MEDICAL RESEARCH					15,000
		DOD-VA Cooperative Research Prgm			[+15,000]	15,000	
		Persian Gulf Illness Clinical Trials				[4,500]	
0603739E	46	ADVANCED ELECTRONICS TECHNOLOGIES	277,044	298,044	299,044		293,044
		EUV Lithography		[+6,000]			
		Advanced Lithography Program		[+15,000]	[+23,000]	18,000	
		Point-Source X-Ray Lithography			[+2,000]	2,000	
		MT-06 Offset			[-3,000]	(4,000)	
0603744E	47	ADVANCED SIMULATION					
0603745E	48	SEMICONDUCTOR MANUFACTURING TECHNOLOGY					
0603746E	49	MARITIME TECHNOLOGY	37,408	41,408	37,408		37,408
		Maritech		[+4,000]			
0603747E	50	ELECTRIC VEHICLES					
0603750D	51	ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	121,076	91,076	101,076		81,076
		Advanced Concept Technology Demonstrations		[-30,000]	[-20,000]	(40,000)	
0603752D	52	COMMERCIAL TECHNOLOGY INSERTION PROGRAM	47,889	0	47,889		20,000
		Program Reduction		[-47,889]		(27,889)	
0603753S	53	ELECTRONIC COMMERCE RESOURCE CENTERS	14,972	14,972	17,972		20,972
		Establishment of 2 New Centers			[+3,000]	6,000	
0603755D	54	HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	126,211	126,211	151,211		149,880
		Supercomputing Centers Sustainment			[+25,000]	25,000	
		Program Reduction				(1,331)	
0603760E	55	COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	163,800	147,800	158,800		157,800
		New Start Reductions		[-16,000]	[-5,000]	(6,000)	

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0603761E	56	COMMUNICATION AND SIMULATION TECHNOLOGY	75,938	75,938	75,938		75,938
0603762E	57	SENSOR AND GUIDANCE TECHNOLOGY	166,855	141,855	165,355		158,855
		New Start Reductions		[-25,000]	[-5,000]	(5,000)	
		Large Millimeter-Wave Telescope			[+3,500]	3,000	
		Tactical Radar Program				(6,000)	
0603763E	58	MARINE TECHNOLOGY	69,143	26,943	69,143		21,943
		Arsenal Ship and Surface Combatant-21		[-47,200]		(47,200)	
		New Start Mine Clearing Project		[-2,000]			
		Small Unattended Undersea Sensors		[+4,000]			
		Advanced Submarine Technology		[+3,000]			
0603764E	59	LAND WARFARE TECHNOLOGY	82,580	94,180	86,980		82,980
		New Start Reductions		[-9,000]			
		Active Structural Control		[+6,600]	[+4,400]	5,400	
		DP-2 Vectored Thrust		[+14,000]			
		Small Unit Operations				(5,000)	
0603765E	60	CLASSIFIED DARPA PROGRAMS	134,977	134,977	134,977		134,977
0603800E	61	JOINT STRIKE FIGHTER (JSF) - DEM/VAL	23,900	0	23,900		23,900
0603805E	62	DUAL USE APPLICATIONS PROGRAMS	225,000	0	125,000		125,000
		Dual Use Applications Programs		[-225,000]	[-100,000]	(100,000)	
0603832D	63	JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	71,338	60,038	71,338		64,338
		Program Reduction		[-11,300]		(7,000)	
0303132G	64	GLOBAL GRID COMMUNICATIONS	[---]	[---]	[---]		[---]
0304211G	65	NATIONAL ACTIVITIES	[---]	[---]	[---]		[---]
0305166G	66	SPECIAL DEVELOPMENT	[---]	[---]	[---]		[---]
0603228D	67	PHYSICAL SECURITY EQUIPMENT	31,553	31,553	31,553		18,676
		Program Reduction				(12,877)	
0603708D	68	INTEGRATED DIAGNOSTICS	6,514	6,514	6,514		6,514
0603709D	69	JOINT ROBOTICS PROGRAM	23,196	33,196	32,696		28,196
		Vehicle Teleoperation Capability		[+10,000]	[+9,500]	5,000	
0603714D	70	ADVANCED SENSOR APPLICATIONS PROGRAM	15,379	15,379	21,379		18,379
		HAARP			[+3,000]	3,000	

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		Scattering, Microwave Radiometry, Multi-Spectral Analysis			[+3,000]		
0603736D	71	CALS INITIATIVE	1,916	1,916	5,916		5,916
		Integrated Data Environment			[+4,000]	4,000	
0603790D	72	NATO RESEARCH AND DEVELOPMENT	13,584	13,584	13,584	(5,000)	8,584
0603851D	73	ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	15,164	15,164	15,164		15,164
0603861C	74	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEM/VAL	294,647	294,647	353,427		406,127
		THAAD EMD Transfer			[+58,780]	111,480	
0603863C	75	HAWK SYSTEM BM/C3 - DEM/VAL					
0603864C	76	THEATER MISSILE DEFENSE BM/C3 - DEM/VAL					
0603867C	77	NAVY AREA THEATER MISSILE DEFENSE - DEM/VAL					
0603868C	78	NAVY THEATER WIDE MISSILE DEFENSE - DEM/VAL	194,898	344,898	274,898		344,898
		Navy Theater Wide Missile Defense		[+150,000]	[+80,000]	150,000	
0603869C	79	MEADS CONCEPTS - DEM/VAL	47,956	47,956	47,956		47,956
0603870C	80	BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQ - DEM/VAL	12,885	0	17,885		16,385
		Boost Phase Intercept			[+5,000]	3,500	
0603871C	81	NATIONAL MISSILE DEFENSE - DEM/VAL	504,091	978,091	978,091		978,091
		National Missile Defense		[+474,000]	[+474,000]	474,000	
0603872C	82	JOINT THEATER MISSILE DEFENSE - DEM/VAL	542,619	523,919	576,619		581,619
		Transfer to Cooperative Programs		[-38,700]			
		ASSDC Advanced Research Center			[+7,000]	7,000	
		Arrow Interoperability			[+15,000]	12,000	
		Theater Air & Missile Defense Integrated Systems Architecture			[+12,000]		
		Theater Missile Defense Upgrades/PMRF		[+20,000]		20,000	
0603XXXC	82a	COOPERATIVE PROGRAMS		123,100			
		Cooperative Programs		[+91,600]			
		Tactical High Energy Laser		[+38,200]			
0603884BP	83	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	55,145	60,145	55,145		55,145
		Emergency Response Force Development		[+5,000]			
0603892D	84	ASAT			80,000		37,500
		KE-ASAT			[+80,000]	37,500	
0208043J	85	ISLAND SUN					

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0604160D	86	COUNTERPROLIFERATION SUPPORT - EMD					
0604384BP	87	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	120,535	121,393	120,535		121,393
		Vaccine Development		[+858]		858	
0604771D	88	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	55,429	55,429	55,429		55,429
0604861C	89	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	261,480	306,480	0		0
		Transfer toDemVal/program reduction		[+45,000]	[-261,480]	(261,480)	
0604864C	90	THEATER MISSILE DEFENSE BM/C3 - EMD					
0604865C	91	PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EMD	206,057	206,057	206,057		206,057
0604866C	92	PAC-3 RISK REDUCTION - EMD					
0604867C	93	NAVY AREA THEATER MISSILE DEFENSE - EMD	267,822	289,822	267,822		289,822
		Navy Area Theater Missile Defense		[+22,000]		22,000	
0305106LC	94	CONSOLIDATED IMAGERY ACTIVITIES	[---]	[---]	[---]		[---]
0305107LC	95	TACTICAL IMAGERY ACTIVITIES	[---]	[---]	[---]		[---]
0305889D	96	COUNTERDRUG INTELLIGENCE SUPPORT					
0605104D	97	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	38,376	38,376	30,376		30,376
		Program Reduction			[-8,000]	(8,000)	
0605110D	98	TECHNICAL SUPPORT TO USD(A)--CRITICAL TECHNOLOGY	2,690	2,690	2,690		2,690
0605114E	99	BLACK LIGHT	4,683	4,683	4,683		4,683
0605117D	100	FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	37,474	37,474	37,474		37,474
0605126J	101	JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	23,100	23,100	23,100		16,100
		Maintain Requirements Section of Master Plan				(7,000)	
0605128D	102	CLASSIFIED PROGRAM USD(P)	5,979	5,979	5,979		5,979
0605160D	103	COUNTERPROLIFERATION SUPPORT	7,047	19,047	7,047		7,047
		First Reponder Training		[+12,000]			
0605218C	104	BALLISTIC MISSILE DEFENSE RDT&E PROGRAM MANAGEMENT AND SPT					
0605384BP	105	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	18,730	18,730	18,730		18,730
0605502D	106	SMALL BUSINESS INNOVATIVE RESEARCH					
0605502E	107	SMALL BUSINESS INNOVATIVE RESEARCH					
0605710D	108	CLASSIFIED PROGRAMS - C3I	357	357	357		357
0605790D	109	SMALL BUSINESS INNOVATIVE RESEARCH ADMINISTRATION	1,738	1,738	1,738		1,738
0605798S	110	DEFENSE SUPPORT ACTIVITIES	5,992	5,992	5,992		5,992

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0605801S	111	DEFENSE TECHNICAL INFORMATION CENTER	46,930	46,930	46,930		46,930
0605803S	112	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATION	8,285	8,285	8,285		8,285
0605898E	113	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	39,193	39,193	39,193		36,193
		Program Reduction				(3,000)	
0208045K	114	C3 INTEROPERABILITY	25,670	25,670	25,670		25,670
0208052J	115	JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	2,186	2,186	2,186		2,186
0301011G	116	CRYPTOLOGIC ACTIVITIES	[---]	[---]	[---]		[---]
0301301L	117	GENERAL DEFENSE INTELLIGENCE PROGRAM	[---]	[---]	[---]		[---]
0302016K	118	NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	2,064	2,064	2,064		2,064
0302019K	119	JOINT/DEFENSE INFORMATION SYSTEMS ENGINEERING AND INTEGRATION	4,721	4,721	4,721		4,721
0303126K	120	LONG-HAUL COMMUNICATIONS (DCS)	14,520	14,520	14,520		14,520
0303127K	121	SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,552	4,552	4,552		4,552
0303129K	122	DEFENSE MESSAGE SYSTEM					
0303131K	123	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	2,381	2,381	2,381		2,381
0303140D	124	INFORMATION SYSTEMS SECURITY PROGRAM					
0303140G	125	INFORMATION SYSTEMS SECURITY PROGRAM	258,593	258,593	258,593	(5,000)	253,593
0303149J	126	C4I FOR THE WARRIOR	5,554	5,554	5,554		5,554
0303149K	127	C4I FOR THE WARRIOR					
0303153K	128	JOINT SPECTRUM CENTER					
0304345BQ	129	NATIONAL IMAGERY AND MAPPING	[---]	[---]	[---]		[---]
0305102BQ	130	DEFENSE IMAGERY AND MAPPING PROGRAM	109,430	134,430	109,430		119,430
		Synthetic Aperture Radar Data		[+10,000]		5,000	
		Accelerate DPS Migration		[+15,000]		5,000	
0305127V	131	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	419	419	419		419
0305139B	132	DMA MAPPING, CHARTING, AND GEODESY (MC&G) PROD SYS IMP					
0305154D	133	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM					
0305154G	134	DEFENSE AIRBORNE ROCONNAISSANCE PROGRAM	[---]	[---]	[---]		[---]
0305159I	135	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	49,403	41,003	49,403		44,503
		Space Support		[-4,900]		(4,900)	
		TENCAP		[-3,500]			
0305190D	136	C3I INTELLIGENCE PROGRAMS	6,249	6,249	6,249		6,249

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0305204D	137	TACTICAL UAVS	122,004	62,004	122,004		54,507
		Outrider ACTD		[-87,500]		(87,497)	
		Tactical Control System		[+11,500]		8,000	
		VTOL Competition		[+10,000]		8,000	
		Muti-Function Self-Aligned Gate Array		[+6,000]		4,000	
0305205D	138	ENDURANCE UAVS	216,712	192,722	216,712		192,722
		Predator Transfer		[-14,990]		(14,990)	
		Common Ground Segment Testing		[-9,000]		(9,000)	
0305206D	139	AIRBORNE RECONNAISSANCE SYSTEMS	212,961	226,161	212,961		196,961
		Airborne Information Transmission		[+3,000]		1,000	
		Airborne Overhead Integrated Task Force		[+7,200]			
		Joint Airborne Reconnaissance Architecture		[-3,000]		(3,000)	
		Heavy Fuel Engine		[-3,000]		(3,000)	
		Joint Sigint Avionics Family (JSAF)		[-16,200]		(16,200)	
		Digital Terrain Elevation Data		[+2,000]			
		High Band Sensors		[-1,800]		(1,800)	
		JMTE ACTD		[+10,000]			
		EO Framing Technology		[+15,000]		7,000	
0305207D	140	MANNED RECONNAISSANCE SYSTEMS	27,784	51,784	27,784		27,784
		U-2 Senior Glass		[+24,000]			
0305208D	141	DISTRIBUTED COMMON GROUND SYSTEMS	37,653	37,653	37,653		37,653
0305209D	142	DARP MANAGEMENT SUPPORT	21,543	7,543	21,543		7,543
		DARP Management Support		[-14,000]		(14,000)	
0305884L	143	INTELLIGENCE PLANNING AND REVIEW ACTIVITIES	[---]	[---]	[---]		[---]
		Intelligence Planning and Review Activities		[+17,000]			
0305885G	144	TACTICAL CRYPTOLOGIC ACTIVITIES	96,667	96,667	96,667		96,667
0305889G	145	COUNTERDRUG INTELLIGENCE SUPPORT		2,500			0
		Inexpensive Long Dwell Observation Platform		[+2,500]			
0305898L	146	MANAGEMENT HEADQUARTERS (AUXILIARY FORCES)	1,926	1,926	7,726		1,926
		Command Intelligence Architecture/Planning			[+5,800]		
0708011S	147	INDUSTRIAL PREPAREDNESS	8,720	8,720	8,720		8,720

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0902298J	148	MANAGEMENT HEADQUARTERS (OJCS)	10,035	10,035	10,035		10,035
0902740J	149	JOINT SIMULATION SYSTEM	24,321	24,321	24,321		24,321
1001017J	150	PARTNERSHIP FOR PEACE ACTIVITIES	1,993	1,993	1,993		0
		Program Transfer				(1,993)	
1160279BB	151	SML BUS INNOVATIVE RES/SMALL BUS TECH TRANSFER PILOT PROG					0
	151a	PTAC (See Readiness Offer)			12,000		
1160401BB	152	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	4,161	4,161	4,161		4,161
1160402BB	153	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,009	8,009	8,009		8,009
1160404BB	154	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	73,073	73,073	75,773		109,473
		Communications Helmet			[+300]		
		Advance SEAL Delivery System				36,400	
		Heavy Sniper Rifle			[+400]		
		ILAM			[+1,000]		
		RAMS			[+1,000]		
1160405BB	155	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	4,914	12,914	8,914		10,914
		Mission Familiarization Virtual Reality Project		[+3,000]			
		Special Operations Forces Intelligence Vehicle		[+5,000]		3,000	
		Joint Threat Warning System			[+4,000]	3,000	
1160407BB	156	SOF MEDICAL TECHNOLOGY DEVELOPMENT	2,029	2,029	2,029		2,029
1160408BB	157	SOF OPERATIONAL ENHANCEMENTS	26,357	26,357	26,357		17,357
		Program Reduction				(9,000)	
XXXXXXX	999	CLASSIFIED PROGRAMS	1,000,149	1,109,295	1,011,649	72,900	1,073,049
		Economic Assumptions				(49,000)	(49,000)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE	9,069,680	9,611,013	9,796,780	476,399	9,546,079
		DEVELOPMENTAL TEST & EVAL, DEFENSE					
0604940D	1	CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CTEIP)	131,353	142,853	131,353		123,353
		ANECHOIC Research Program		[+10,000]			
		Heavy Vehicle Test Facility		[+1,500]			

TITLE II - RESEARCH, DEVELOPMENT, TEST EVALUATION

(Dollars in Thousands)

Program Element	Line No.	Program Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Program Reduction				(8,000)	
0605130D	2	FOREIGN COMPARATIVE TESTING	33,836	33,836	33,836		33,836
0605804D	3	DEVELOPMENT TEST AND EVALUATION	102,994	102,994	102,994		102,994
		Economic Assumptions				(2,000)	(2,000)
		TOTAL, DIRECTOR OF TEST & EVAL DEFENSE	268,183	279,683	268,183	(10,000)	258,183
		OPERATIONAL TEST & EVALUATION, DEFENSE					
0605118D	1	OPERATIONAL TEST AND EVALUATION	13,187	13,187	21,187		17,187
		Operational Field Assessment Program			[+8,000]	4,000	
0605131D	2	LIVE FIRE TESTING	10,197	10,197	10,197		10,197
		TOTAL, DIRECTOR OF OPERATIONAL TEST & EVALUATION	23,384	23,384	31,384	4,000	27,384
		FFRDC REDUCTION				(42,000)	(42,000)

University research initiatives

The budget request included $237.7 million in PE 61103D for university research initiatives including $10.0 million for the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR).

The House bill would authorize a decrease of $13.0 million in PE 61103D: an increase of $10.0 million for (DEPSCoR); and a decrease of $23.0 million.

The Senate amendment would authorize $20.0 million for DEPSCoR within the amount of the budget request.

The conferees agree to authorize an increase of $10.0 million in PE 61103D for DEPSCoR in addition to the $10.0 million in the amount of the budget request. The conferees also agree to a reduction, without prejudice, of $20.0 million in PE 61103D.

Next generation internet

The budget request included $40.0 million in PE 62110E for the Defense Advanced Research Projects Agency (DARPA) component of the Next Generation Internet (NGI) program.

The House bill would authorize an increase of $15.0 million in PE 62110E for specific connectivity, functionality, services, and software among the applications communities and regional consortia to maximize the value of the services deployed under the NGI. The House bill would also direct the use of competitive procedures in the award of contracts, grants, or other transactions under the program and would encourage the use of cost-sharing where feasible.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million in PE 62110E for the purposes discussed in the House report (H. Rept. 105–132). The conferees endorse the NGI program and support the concept of involving the applications communities, including federal agencies, state and local governments, academia, and the private sector, to incorporate networking technologies developed under the program to achieve capabilities beyond those of the current Internet infrastructure. The conferees also support the formation of cooperative agreements within the regional consortia established under the program to leverage the knowledge, skills, and methods of the individual members from government, industry, and academia. The conferees encourage DARPA to consider supporting, under the NGI program, industry and university consortia investigating and demonstrating ultra-high speed, optical time-division-multiplexed technologies for networks and interchanges.

Chemical and biological defense program

The budget request included $530.9 million for the chemical and biological defense program ($320.9 million for research, development, test and evaluation activities and $210.0 million for procurement) and $61.0 million for the Defense Advanced Research Projects Agency (DARPA) biological defense program.

The House bill would authorize an increase of $16.6 million for the chemical/biological defense program in the following activities: a $10.8 million increase in PE 62384BP to continue the SAFEGUARD proof-of-concept multi-spectral sensor program; a $1.5 million increase in PE 63384BP for vaccine advanced development; a $858,000 increase in PE 64384BP for vaccine development and a $5.0 million increase in PE 63884BP to support on-going development efforts in detectors, decontamination equipment, and protective equipment for the Chemical-Biological Quick Reaction Force (CBQRF) and its components.

The Senate amendment would authorize an increase of $6.5 million for the chemical-biological defense research and development program for the following activities: $2.0 million for the development of a joint service prototype hybrid integrated sensor array for chemical and biological point detection; $4.5 million to meet unfunded requirements for biological detectors for the Chemical-Biological Incident Response Force (CBIRF); would make $1.5 million available from funds requested for PE 62383E for a study on the use of antibodies as medical defenses against biological agents; and would reduce the budget request for PE 62383E by $6.5 million. Additionally, the amendment would recommend that $16.1 million of fiscal year 1997 funds, identified by the Department of Defense as excess to the program because of the inability to execute the assembly of biological integrated defense systems (BIDS) until the end of fiscal year 1999, be used instead for unfunded research, development and procurement efforts in the chemical-biological defense program, counterproliferation and including counterterrorist efforts to protect against the use of weapons of mass destruction.

The conferees agree to authorize an increase of $12.4 million to meet shortfalls in the chemical and biological defense program for research and development of detection capabilities, to include the following: $10.5 million in PE 62384BP, of which $3.0 million shall be available for the SAFEGUARD program; and a $2.0 million increase in PE 61384BP to increase efforts in research and development of chemical/biological detection capabilities. The conferees also agree to a $6.5 million reduction in PE 62383E.

To close gaps and funding shortfalls in medical defenses against biological agents, the conferees direct that $1.5 million in PE 63384BP and $858,000 in PE 64384BP be made available for vaccine development efforts, and that $1.5 million in PE 62383E be made available to study the use of therapeutic human antibodies as medical defenses against biological agents. Additionally, the conferees direct the Secretary of Defense to submit the report required by the Senate report on the National Defense Authorization Act for Fiscal Year 1997 (S. Rept. 104–267) on the utility and possible benefits of this technology, by March 31, 1998.

The conferees have reviewed the Department of Defense March 1997 annual report to Congress on the nuclear, biological, and chemical defense program. The conferees understand that the Department has responded to all recommendations in the General Accounting Office's report NSIAD–96–102 ''Chemical and Biological Defense: Emphasis Remains Insufficient to Resolve Continuing Problems.'' In addressing the recommendations of the GAO, the conferees believe that the Department is now better prepared to address the shortcomings that still exist in the U.S. armed forces' chemical-biological defense posture.

However, funding constraints in the Department's budget request could delay modernization and affect the training and readiness of the force. The conferees understand that the Joint Senior Leaders Course and the Toxic Agent Leader Training Course have been dropped from the Army Chemical School's training course list because of funding constraints. The conferees also understand that the Department lacks a mechanism to provide adequate information on the current status of chemical-biological defense training, equipment, and readiness. The conferees strongly recommend the incorporation of an assessment of chemical-biological defense training and readiness into the unit readiness reporting system and direct the Department of Defense to report to the congressional defense committees on steps that will be taken, in lieu of reinstating the training courses, to ensure that chemical-biological defense specialists maintain their expertise, and how units and senior leaders in the armed forces will maintain their proficiency in chemical-biological matters.

The Secretary of Defense recommended in the Quadrennial Defense Review that the Department increase funding by approximately $1.0 billion over the program plan on counterproliferation, particularly for protective measures against chemical weapons. In response to that recommendation, the conferees expect that increased funding provided in fiscal year 1998 for chemical and biological defenses will be utilized in accordance with requirements identified as shortfalls by the Joint Staff and the Counterproliferation Program Review Committee (CPRC). Additionally, the conferees expect the fiscal year 1999 budget request, and subsequent budget requests, to reflect the recommendations contained in the QDR for increased funding levels for the chemical-biological defense program.

Despite congressional direction contained in the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) that management and oversight of the chemical and biological warfare defense program and the chemical and biological medical defense be conducted by a single executive agent and program manager, the conferees understand from the Counterproliferation Program Review Committee's May 1997 ''Report on Activities and Program for Countering Proliferation and NBC Terrorism'' that ''* * * beginning in FY98, [the Defense Advanced Research Projects Agency (DARPA) biological warfare defense program] will no longer be incorporated into the CBD [chemical-biological defense] Program management and oversight structure.'' The conferees direct the Secretary of Defense to ensure that the DARPA biological warfare defense program is coordinated and integrated under the program management and oversight of the Department's chemical-biological defense program.

The conferees understand that the Department's policies on anthrax vaccination of U.S. armed forces and support for other than U.S. armed forces are awaiting final approval, and that these decisions will affect total funding, vaccine production, and storage requirements. The conferees also note the impending award of a prime systems contract to develop new biological defense vaccines, pursue vaccine licensing, and produce stockpile vaccines to meet the Department's requirements.

The conferees understand that the Department of Defense is currently dependent upon a single source of supply for permeable chemical protective garment materials used in the joint service chemical protective suit and related chemical protective garments, and believe that the Department of Defense should consider taking those actions necessary to qualify additional sources of supply for these materials. The conferees direct the Secretary of the Army, as executive agent for the chemical-biological defense program, to report to the congressional defense committees on any plans to qualify additional sources for these materials.

The conferees direct the Secretary of Defense to address the above issues as specific areas of interest in the next annual report to Congress on the NBC defense program.

Tactical technology

The budget request included $157.3 million in PE 62702E for tactical technology programs.

The House bill would authorize a decrease of $43.9 million in PE 62702E.

The Senate amendment would authorize an increase of $3.0 million to provide for

lethality demonstration and the definition of a tactical configuration of the small low-cost interceptor device (SLID).

The conferees agree to authorize a decrease of $16.0 million in PE 62702E: a general decrease of $10.0 million; a decrease of $3.0 million for the compact laser program; and a decrease of $3.0 million for chemically specific detection. The conferees also agree to authorize $3.0 million of funds available in PE 62702E for facial recognition technology.

The conferees urge the Defense Advanced Research Projects Agency to fund the SLID program in a manner to provide for the greatest likelihood of a rapid, successful transition to the Army.

Integrated command and control

The budget request included $37.0 million in PE 62708E for integrated command and control technology.

The House bill would authorize an increase of $23.0 million for flat panel display initiative/high definition systems.

The Senate amendment would authorize an increase of $18.0 million for flat panel display technology.

The conferees agree to authorize an increase of $12.0 million in PE 62708E for flat panel display technology. The conferees recommend that the program place increased emphasis on the demonstration of flat panel displays for various applications by the military services in order to facilitate the transition of the program to the services for military applications.

Materials and electronics technology

The budget request included $192.1 million in PE 62712E for materials and electronics technology.

The House bill would authorize an increase of $7.5 million in PE 62712E for 3–D microelectronics.

The Senate amendment would authorize an increase of $15.5 million in PE 62712E: $1.0 million for hard carbon coatings; $7.5 million for seamless high off-chip connectivity (SHOCC); and $7.0 million for mixed mode electronics multitechnology insertion (MIME).

The conferees agree to authorize the following increases in PE 62712E: $5.0 million for 3–D microelectronics; $1.0 million for hard carbon coatings; $6.0 million for SHOCC; $7.0 for MIME; $6.0 million to continue the program for applied research in extreme ultraviolet lithography and fabrication of nanoelectronic structures as recommended in the House report (H. Rept. 105–132); $4.0 million to accelerate the development of life support trauma and transport (LSTAT) and the joint service program for the test of the LSTAT that is being led by the Army as recommended in the House report (H. Rept. 105–132), and $3.0 million for the development of technologies for cryogenic electronics and high temperature superconductivity as recommended by the House report (H. Rept. 105–132).

With regard to the LSTAT program, the conferees agree with the requirement in the House report (H. Rept. 105–132), which directs the Secretary of the Army to submit a report on the plan for completing the joint service test program and plans for fielding the LSTAT and other advanced battlefield life support and evacuation systems to the congressional defense committees with the submission of the defense budget request for fiscal year 1999.

Explosives demilitarization technology

The budget request included $12.2 million for the explosives demilitarization program (PE 63104D).

The House bill would authorize an increase of $3.0 million to maintain the level of funding necessary to permit the acceleration of promising technologies and the evaluation of additional alternative technologies in the explosives demilitarization program (PE 63104D) established in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106).

The Senate amendment included a provision (sec. 235) that would direct the Secretary of Defense to conduct an explosive munitions demilitarization demonstration program, and using competitive procedures, conduct a demonstration using an existing, commercially available blast chamber technology as an alternative to open burning, open pit detonation of munitions; require the Secretary of Defense to submit to Congress, along with the fiscal year 2000 budget, a report on the results of the demonstration program and assessment of the relative benefits of the blast chamber technology with regard to levels of emissions and noise, and a cost benefit analysis of this technology. The provision would increase the budget request for the explosives demilitarization technology program by $6.0 million for the demonstration program and reduce by $6.0 million the budget request for the Army account for special equipment for user testing.

The Senate recedes.

The conferees agree to authorize an increase of $4.0 million for the munitions standardization, effectiveness and safety program (PE 65805A) which shall be used for the explosives demilitarization technology program (PE 63104D) to maintain the level of funding necessary to permit the acceleration of promising technologies and to evaluate alternative technologies. The conferees understand that commercial technology that utilizes blast chamber technology is available as a potential alternative technology to demilitarize old conventional ammunition. The successful demonstration of this technology could reduce the Army's reliance on open burning and open detonation.

The conferees direct that, from the authorized funds available to the program in fiscal year 1998, the Secretary of Defense shall conduct a demonstration program utilizing commercially available blast chamber technology and provide a report to the congressional defense committees no later than March 1, 1999 on the results of the demonstration program. The program shall be conducted using competitive procedures. The report shall include an assessment of the relative benefits of utilizing a blast chamber technology and the open burning, open pit detonation process with regard to the levels of emissions and noise that results from the use of these processes and a cost benefit analysis of this technology.

Counterterror technical support program

The budget request included $34.8 million for the counterterror technical support program.

The House bill would authorize $41.8 million, a $7.0 million increase for safety devices and facial recognition technology.

The Senate amendment would authorize a $20.0 million increase for research and development activities on structural response and mitigation, counterterrorist explosive research, demonstration of non-intrusive inspection technologies and facial recognition technology.

The conferees agree to authorize an increase of $3.0 million for the counterterror technical support program for efforts to develop innovative technologies to protect U.S. forces and infrastructure against acts of terrorism. The conferees note that $3.0 million is available for the facial recognition technology program within the defense tactical technology program (PE 62702E).

Collaborative efforts with allies who have demonstrated capabilities to counter terrorist acts, such as Israel and the United Kingdom, should remain a high priority for the United States. The tragic deaths of U.S. forces in Saudi Arabia as a result of terrorist attacks on structures where U.S. armed forces lived and worked highlight the urgent need for the Department of Defense (DOD) to examine options to retrofit existing structures and to develop design guidelines for new and existing structures. The conferees support recent collaborative efforts between the United States, Israel, and the United Kingdom, to strengthen existing structures against terrorist and ballistic missile attacks.

The budget request included $13.0 million in the physical security equipment program (PE 63228D) to test and evaluate commercial equipment for force protection. The conferees believe that fiscal year 1998 funds in this program should be used to evaluate commercially available technology that may provide the DOD with options to retrofit existing structures, which would provide increased protection to U.S. forces against terrorist attacks.

While Congress has supported the funding for a Pulsed Fast Neutron Analysis (PFNA) technology program in prior years, the conferees are concerned about the Department's continued failure to request funds for this activity. Based on issues raised by a recent General Accounting Office report on the PFNA system technology, the conferees agree with the recommendations in the House report (H. Rept. 105-32) that direct the Secretary of Defense and the Secretary of Treasury to conduct an assessment of the operational requirements for a PFNA cargo inspection system, and report to the Congress on the results of that assessment and the other issues raised by the House by December 31, 1997. Should there be a joint recommendation to continue the program, the conferees direct the Department to notify the congressional defense committees of its intention to use fiscal year 1998 funds in this program for that purpose.

Domestic emergency response to threats of terrorist use of weapons of mass destruction

The budget request included $170.2 million for key Department of Defense programs to counter paramilitary and terrorist threats involving weapons of mass destruction. This total included $49.5 million to improve emergency response preparedness and coordination with state and local agencies through First Responder training, interagency exercises and technical assistance.

The House bill would authorize increases of $2.0 million in the counterterror technical support program (PE 63122D), $5.0 million in the chemical/biological defense program (PE 63884BP), and a total of $12.0 million in the counterproliferation support program (PE 65160D) for improvements in emergency response force equipment and training for response to potential terrorist use of weapons of mass destruction.

The Senate amendment would authorize the budget request. The amendment would also make available, from the verification and control technology activity of the Department of Energy budget for other defense activities, $3.0 million for training and related activities to prepare Federal, State, and local First Responders to work effectively as part of the domestic emergency response program.

The House recedes.

The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) directed the President to take immediate action to enhance the capability of the Federal government to prevent and respond to terrorist incidents involving weapons of mass destruction, and to provide enhanced support

to improve the capabilities of state and local emergency response agencies to prevent and respond to such incidents at both the national and local levels. The President's assessment and those actions taken at the interagency level and within the Department of Defense are detailed in the President's January 1997 report to the Congress and in the Department of Defense May 1997 report to Congress, ''Domestic Preparedness Program in the Defense against Weapons of Mass Destruction.''

The conferees note the actions taken to date to enhance emergency domestic preparedness and response to terrorist nuclear, biological, or chemical attacks under the Department's counterproliferation support program and the chemical-biological defense program. The conferees support the Department's budget request to continue these efforts in domestic emergency response preparedness through First Responder training and assistance to metropolitan area authorities, improvement of the Department's rapid chemical and biological response capabilities, and the conduct of preparedness exercises in coordination with Federal, state, and local agencies.

Public Law 104–201 requires the Secretary of Defense to establish and maintain at least one chemical-biological domestic terrorism rapid response team. The conferees direct the Secretary of the Army, as executive agent for the domestic emergency response program, to ensure that the plans, programs, and budget of the Chemical-Biological Quick Reaction Force (CBQRF) and its components are reviewed to ensure full coordination and integration of participating DOD assets. The conferees also direct the Assistant to the Secretary of Defense (Nuclear, Chemical, and Biological Defense Program) to ensure that all research, development, and acquisition efforts in support of the CBQRF and its components are fully integrated and coordinated within the Department's chemical and biological defense program.

The conferees note that an interagency training strategy is being developed that would initially focus training under the domestic emergency response preparedness program on professional emergency response organizations in the 27 cities and metropolitan areas identified by the Federal Bureau of Investigation as being at particularly high risk, and would complete First Responder training for 126 major metropolitan areas and cities within three years. The training program and priorities must be coordinated with State emergency management directors. The conferees agree with the overall need to establish training priorities, but recommend that emphasis also needs to be placed on training the local volunteer emergency First Response organizations that make up the majority of the nation's emergency response forces. The conferees also believe that in addition to the ''train the trainer'' approach being used in the existing program, an exportable training package should be developed that is oriented toward the training of volunteer emergency First Responders.

The conferees endorse the use of training exercises to test and improve consequence management response capabilities, but believe that the exercise site requirements should be based on the training and exercise needs of the agencies to be exercised, site capabilities, frequency of use, and proximity to participating agencies. The conferees encourage the development of an overall coordinated training exercise strategy similar to that developed for training by the Senior Interagency Group.

Responding to domestic emergencies has been identified in the report of the Quadrennial Defense Review (QDR) as an appropriate mission for the National Guard. Consistent with the President's January 1997 report to the Congress and the May 1997 Department of Defense report on ''Domestic Preparedness Program in the Defense against Weapons of Mass Destruction,'' the conferees direct the Secretary of Defense to report to the congressional defense committees on the status of any plans for assigning the National Guard a role in countering chemical and biological terrorism in the United States. The report should define any such missions of the National Guard and how that role complements other Federal, State, and local authorities with similar responsibilities; the cost for developing the capability for National Guard personnel to train State and local First Responders; the cost for chemical and biological technology and equipment; and the need to develop appropriate response plans, while avoiding unnecessary duplication.

The conferees direct the Secretary of Defense, in coordination with the Director of the Federal Emergency Management Agency and the Director of the Federal Bureau of Investigation, to provide an annual assessment of progress in the domestic emergency response preparedness program. The report should be submitted to the congressional defense committees beginning with the fiscal year 1999 budget request and extending through fiscal year 2001.

Counterproliferation support program

The budget request included $65.3 million for the counterproliferation support program (PE 63160D).

The House bill would authorize an increase of $3.0 million to continue the counterproliferation mission analysis and planning system (CAPS).

The Senate amendment would authorize an increase of $20.0 million to the budget request for the following activities: $3.0 million for the high frequency active auroral research program (HAARP), $1.0 million for development of a portable trace element detection system; $6.0 million to continue the SAFEGUARD proof-of-concept multi-spectral sensor program; and $10.0 million to continue the CAPS program. In addition, the amendment would recommend a $7.0 million increase to the budget request for U.S. Special Operations Command (USSOCOM) operations and maintenance for equipment to detect, and destroy underground facilities, and for training activities to destroy, render safe, transport or recover weapons of mass destruction from deep underground structures.

The conferees agree to authorize an increase of $10.0 million to the budget request for the counterproliferation support program (PE 63160D) to continue CAPS ($7.0 million) and HAARP ($3.0 million). The conferees also agree to a $7.0 million increase to the budget request for USSOCOM operations and maintenance for WMD equipment and training.

The conferees agree to a separate provision, described elsewhere in this report, that would allow the Secretary of Defense to reprogram up to $50.0 million from amounts authorized for fiscal year 1998 for unfunded shortfalls in key counterproliferation capabilities or other areas where more counterproliferation progress can be achieved with additional funding.

In addition to the reprogramming notifications required by law, the conferees direct the Secretary of Defense to notify the congressional defense committees 30 days in advance of its intent to obligate or expend fiscal year 1998 funds not authorized by this Act for counterproliferation activities. The notification shall include the purpose for which the funds are to be utilized, and a certification that the activity addresses a shortfall in existing and programmed capabilities to counter the proliferation of weapons of mass destruction (WMD) or their means of delivery, as identified by the Commanders in Chief (CINCs) and the Counterproliferation Program Review Committee (CPRC).

Ballistic Missile Defense Organization funding

The budget request included approximately $2.6 billion for the Ballistic Missile Defense Organization (BMDO) for research, development, test, and evaluation (RDT&E). The budget request also included $386.4 million in procurement funds formerly managed by BMDO that were transferred to the military services. As addressed elsewhere in this report, the conferees have agreed to include a legislative provision requiring that these procurement funds be transferred back to BMDO. In addition, the conferees have agreed to specifically authorize these procurement funds in their original BMDO program elements. Consistent with these changes, the following direction addresses these fiscal year 1998 procurement funds as part of the budget request for BMDO. Funding direction regarding BMDO military construction is located elsewhere in this report. Specific programmatic and funding guidance is provided below.

BMDO FUNDING ALLOCATION

[In millions of dollars]

Program element	Budget request	SASC change	HNSC change	Conf. change	Total authorized
RDT&E:					
Support Technology	249.5	+188.4	+35.0	+171.0	420.5
THAAD [1]	556.1	−202.7	+45.0	−150.0	406.1
Navy Lower Tier	267.8		+22.0	+22.0	289.8
Navy Upper Tier	194.9	+80.0	+150.0	+150.0	344.9
MEADS	48.0				48.0
BPI	12.9	+5.0	[2] −12.9	+3.5	16.4
NMD	504.1	+474.0	+474.0	+474.0	978.1
Joint TMD	542.6	+34.0	[2] −18.7	+39.0	581.6
PAC–3 EMD	206.1				206.1
Cooperative BMD			+123.1		
Procurement:					
TMD–BM/C3	20.1				20.1
Navy Lower Tier	15.4				15.4
PAC–3	349.1				349.1

BMDO FUNDING ALLOCATION—Continued

[In millions of dollars]

Program element	Budget request	SASC change	HNSC change	Conf. change	Total authorized
BMDO Total	2,966.6	+578.7	+817.5	+709.5	3,676.1

[1] Following submission of the budget request, the Department of Defense submitted a revised fiscal year 1998 budget request for THAAD of $353.4 million for Dem/Val and no funds for EMD.
[2] Transfer to Cooperative BMD.

LOW COST LAUNCH TECHNOLOGY

The budget request included no funds to support low cost launch technologies, such as pressure fed engine technology.

The House bill would authorize an increase of $15.0 million in PE 63302F for development of the Scorpius low cost launch concept.

The Senate amendment would authorize an increase of $10.0 million in PE 63173C for low cost launch technology development, including the Scorpius concept.

The conferees agree to authorize an increase of $5.0 million in PE 63173C and an increase of $5.0 million in PE 63401F for low cost launch technology, including the Scorpius and Excalibur concepts.

THEATER HIGH ALTITUDE AREA DEFENSE SYSTEM

The budget request included $556.1 million for the Theater High Altitude Area Defense (THAAD) program, of which $294.6 million was included in PE 63861C and $261.5 million was included in PE 64861C. The Department of Defense, after an analysis of the THAAD program by the Quadrennial Defense Review, submitted an amended budget request of $353.4 million in PE 63861C and no funding in PE 64861C.

The House bill would authorize the original budget request in PE 63861C and $306.5 million in PE 64861C.

The Senate amendment would authorize $353.4 million in PE 63861C and no funds for THAAD in PE 64861C.

The conferees agree to authorize $406.1 million in PE 63861C for THAAD and no funds in PE 64861C.

The conferees express their continued strong support for THAAD and believe that fielding THAAD as expeditiously as possible is a matter of highest priority.

The conferees understand that the funding added for THAAD demonstration and validation will be used for extensive risk reduction activities to put the program on sounder technical and programmatic footing when it enters engineering and manufacturing development (EMD) in fiscal year 1999.

The conferees also support DOD efforts to contain program cost growth that could result from schedule delays and technical complications. The conferees expect the Secretary of Defense to review the full range of cost control options applicable to the EMD phase of the program, including, but not limited to, options involving competition and leader-follower. The conferees direct the Secretary of Defense to submit a report on the results of this review to the congressional defense committees by March 15, 1998.

The conferees continue to note their concern over long delays in the THAAD program. In the wake of the Gulf War, Congress directed the deployment of effective theater missile defenses at the earliest possible date. The THAAD program was initiated in calendar year 1992 and deployment originally planned for the mid-1990s. Yet BMDO now supports a 14-year development program, with a first unit equipped (FUE) in calendar year 2006, arguing that a 12-year development program entails excessive programmatic and schedule risks.

The conferees understand that the most recent THAAD schedule supported by BMDO includes a number of opportunities to accelerate the program, depending on the technical progress. The conferees continue to believe that rapid deployment is critical to meet well understood warfighter requirements, and that every reasonable effort should be made to achieve an FUE in calendar year 2004. The conferees direct the Secretary of Defense to take all appropriate budgetary and programmatic steps for fiscal year 1998 to ensure that the program can be accelerated if opportunities arise to do so.

The conferees are also concerned that a delay in the program will adversely affect THAAD EMD and procurement funding in the FYDP. The conferees direct the Secretary of Defense to submit a FYDP that fully funds a THAAD program oriented toward the earliest possible deployment, consistent with moderate program risk.

NAVY UPPER TIER (THEATER WIDE)

The budget request included $194.9 million in PE 63868C for the Navy Upper Tier theater missile defense system.

The House bill would authorize an increase of $150.0 million for the Navy Upper Tier program.

The Senate amendment would authorize an increase of $80.0 million for the Navy Upper Tier program.

The Senate recedes.

The conferees are concerned that the Department of Defense still has not thoroughly assessed the feasibility of accelerating the currently planned Navy Upper Tier deployment date of fiscal year 2008. Noting numerous administration statements attaching high priority to TMD programs, the conferees direct the Secretary of Defense to report to the congressional defense committees no later than February 15, 1998, on the cost and technical feasibility of options for a more robust Navy Upper Tier flight test program, the earliest technically feasible deployment date, and costs associated with such a deployment date.

NATIONAL MISSILE DEFENSE

The budget request included $504.1 million in PE 63871C for the National Missile Defense (NMD) program. Following the budget submission, and pursuant to the Quadrennial Defense Review, the Secretary of Defense requested that the NMD budget request be increased by $474.0 million for fiscal year 1998.

The House bill and Senate amendment would authorize an increase of $474.0 million for the NMD program.

The conferees agree to authorize an increase of $474.0 million for the NMD program.

The conferees have expressed concern for some time that the NMD program has been underfunded. The Department of Defense has acknowledged this funding shortfall and recommended an increase of $474.0 million in fiscal year 1998, and approximately $2.3 billion over the years of the Future Years Defense Program (FYDP). The conferees note that this does not include any funding for the actual deployment of an NMD system.

Although the conferees are pleased that the Secretary of Defense has sought to rectify NMD funding shortfalls, they are disappointed that it has taken so long. Even with significant congressional increases over the last two years, the NMD program remains high risk, largely due to the administration's failure to adequately fund robust testing activities. Unfortunately, the addition of $474.0 million in fiscal year 1998 will do little in the near-term to compensate for this problem. The conferees are concerned by the lack of detail accompanying the Secretary of Defense's request to increase the NMD program budget by $2.3 billion over the FYDP. In addition, the conferees are not satisfied with the degree of information provided to date on how past NMD funding increases have been spent. Therefore, the conferees direct the Secretary of Defense to submit a report to the congressional defense committees by February 15, 1998, providing a detailed accounting of how NMD funds have been spent since the beginning of fiscal year 1996 and a detailed plan for the allocation of NMD funding in the FYDP. In addition, the Secretary shall provide a detailed description of the cost estimating and cost control mechanisms in place within DOD for the NMD program, and an assessment of whether they are adequate.

The conferees believe that BMDO should continue to understand issues associated with sea-based NMD options. The conferees are aware of analysis that shows that a version of the Navy Upper Tier TMD system could be employed in an NMD role. Therefore, the conferees direct the Director of BMDO to submit a report to the congressional defense committees by February 15, 1998, describing whether and how the Navy Upper Tier program could be upgraded in the future to provide a limited NMD capability. The report should address the technical issues associated with a sea-based NMD option as well as costs associated with such a concept. The report should also address whether and, if so, how a sea-based NMD system could be integrated into and supplement a ground-based NMD system, whether and, if so, how a sea-based system would provide needed additional capabilities in support of the requirements for the existing NMD program, and whether such a system would comply with the ABM Treaty.

COOPERATIVE BALLISTIC MISSILE DEFENSE PROGRAM

The budget request included $38.7 million for the Arrow Continuation Experiments/Arrow Deployability (ACES/ADP) program (PE 63872C), $12.9 million for the Unmanned Aerial Vehicle Boost Phase Intercept (UAV BPI) program (PE 63870C), and $16.5 million for the Tactical High Energy Laser (THEL) program (PE 63308A), all of which are U.S.-Israeli cooperative missile defense programs. The budget request included no funding for the Russian American Observation Satellite (RAMOS) program and the Active Plasma Experiment (APEX) program, both of which are cooperative Russian-American programs.

The House bill would authorize $123.1 million in a new BMDO program element (63XXXC) for cooperative international BMD programs, including $48.7 million for the Arrow program, an increase of $10.0 million; the budget request for the UAV BPI program; $38.2 million for THEL, of which $15.0 million was a funding increase and another $6.7 million was to be funded by BMDO administrative accounts; and $30.0 million for RAMOS and APEX.

The Senate amendment would authorize $53.7 million for Arrow in PE 63872C, an increase of $15.0 million; $17.9 million for UAV BPI in PE 63870C, an increase of $5.0 million;

$51.5 million for THEL in PE 63308A, an increase of $35.0 million; and no funding for RAMOS or APEX.

The conferees agree to authorize $50.7 million for Arrow in PE 63872C, an increase of $10.0 million; $16.4 million for UAV BPI in PE 63870C, an increase of $3.5 million; $51.0 million for THEL in PE 63308A, an increase of $34.5 million; $13.0 million for RAMOS in PE 63173C; and $8.0 million for APEX in PE 63173C.

The House recedes on its initiative to create a new cooperative BMD PE for fiscal year 1998. A legislative provision to create a new cooperative BMD program element for fiscal year 1999 is described elsewhere in this report. The conferees expect that these programs and other appropriate programs will be managed through this new cooperative BMD program element.

SPACE-BASED LASER

The budget request included $28.9 million in PE 63173C for the Space Based Laser (SBL) program.

The House bill would authorize the budget request for the SBL program.

The Senate amendment would authorize an increase of $118.0 million for the SBL program.

The conferees agree to authorize an increase of $98.0 million for the SBL program, for a total of $126.9 million in fiscal year 1998.

The conferees strongly endorse the recommendation of BMDO's SBL Independent Review Team (IRT) to proceed on a low risk path leading to the launch of an ABM Treaty compliant Readiness Demonstrator (RD) in fiscal year 2005. In a letter of August 15, 1997 to the Senate Majority Leader, the Secretary of Defense confirmed that SBL technology ''has reached a level of maturity enabling us to focus on integration issues that could lead to a future space demonstration of a sub-scale vehicle.'' The conferees believe that such an SBL-RD can be developed and launched without violating the ABM Treaty. Proceeding with an SBL-RD will not commit the United States to development or deployment of an operational SBL system, but will preserve this option for future consideration.

The conferees support the management structure that has been established for the SBL program, with the Air Force acting as the executive agent for BMDO, but believe that the Air Force must program a share of the funding needed to develop and launch the SBL-RD. The conferees understand that the Air Force leadership is committed to such a cost-sharing arrangement and look forward to this commitment being reflected in the fiscal year 1999 budget request and in future Air Force Program Objective Memorandum (POM) submissions. The conferees also understand that the Secretary of Defense is considering options for increasing funding for the SBL program in the BMDO budget. The conferees recognize that full funding of the SBL-RD program will allow a much more efficient and lower risk program. Therefore, the conferees strongly urge the Secretary of Defense to explore all possible means of including the full SBL-IRT recommended funding profile for a fiscal year 2005 launch in the combined BMDO and Air Force Future Years Defense Program (FYDP), starting with the fiscal year 1999 budget request.

The conferees direct that all funds authorized to be appropriated for the SBL program in fiscal year 1998 be managed with the principal objective of developing an SBL-RD capable of being launched in fiscal year 2005. The conferees further direct that all funds authorized to be appropriated in fiscal year 1998 for the SBL program be directly executed by the Commander of the Air Force Space and Missile Systems Center (SMC).

The conferees recognize that the Commander of SMC may recommend that some limited amount of critical and potentially high payoff SBL technology research and development be continued even if it does not directly support the SBL-RD. However, due to the overarching priority of launching the SBL-RD in fiscal year 2005, the conferees direct that obligation of SBL funds for such activities be limited, and only occur following consultation with the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

The conferees direct the Commander of SMC to establish promptly an SBL-RD baseline, to include a set of technical objectives and requirements, a contracting strategy, a system design, a program schedule, and a funding profile that would support a launch in fiscal year 2005. The conferees understand that the SBL-IRT focused primarily on a single SBL-RD design. However, the conferees support the steps taken by the Commander of SMC to rapidly assess technical and contractual options that may allow a treaty compliant SBL-RD to be developed and launched more rapidly and affordably. To ensure that the focus of the program remains on a fiscal year 2005 launch, the conferees expect to be consulted prior to the adoption of any excursions from the SBL-IRT recommended baseline.

The conferees note that the SBL-IRT concluded that a new integrated test facility is an essential and relatively long-lead element of the SBL-RD effort. Therefore, the conferees direct the Commander of SMC to proceed expeditiously in fiscal year 1998 with the selection of a site for such a facility. The Commander of SMC shall include the requirements, costs, and schedule for this facility in the SBL-RD baseline, as well as an assessment of the cost effectiveness of continuing to operate other SBL test facilities such as the one at Capistrano, California.

The conferees direct the Secretary of Defense to submit a report on the status of the SBL-RD baseline, and related issues, to the congressional defense committees by March 1, 1998.

Strategic environmental research and development program

The budget request included $54.9 million in PE 63716D for the Strategic Environmental Research and Development Program (SERDP).

The House bill would authorize an increase of $3.0 million in PE 63716D to pursue projects that focus on the elimination of toxic materials and solvents from explosives and other energetic materials.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million in PE 63716D for the purpose of developing environmentally benign energetic materials.

Advanced electronics technologies

The budget request included $277.0 million in PE 63739E for advanced technology development of a variety of electronics technologies.

The House bill would authorize an increase of $6.0 million for research in extreme ultraviolet (EUV) lithography and fabrication of nanoelectronic structures and an increase of $15.0 million for the transition of the x-ray lithography program from the Defense Advanced Research Projects Agency (DARPA) to the Navy.

The Senate amendment would authorize an increase of $23.0 million to continue the proximity x-ray lithography program and an increase of $2.0 million to complete the point-source x-ray lithography program in fiscal year 1998. The Senate amendment would also decrease by $3.0 million the amount of funding authorized in project MT–06.

The conferees agree to authorize an increase of $18.0 million for the proximity x-ray lithography program and an increase of $2.0 million to complete the point-source x-ray program in fiscal year 1998. The conferees also agree to decrease by $4.0 million the amount authorized for project MT–06.

The conferees agree to authorize an increase of $6.0 million in PE 62712E for EUV lithography as discussed elsewhere in the Statement of Managers for the National Defense Authorization Act for Fiscal Year 1998.

The conferees endorse the views expressed in the House report (H. Rept. 105–132) regarding the need to ensure a smooth transition of the proximity x-ray lithography program from DARPA to the Navy and the private sector. The conferees direct, therefore, that Naval Air Systems Command be appointed executive agent for the program and that all funds expended for research and development of proximity x-ray, and related technologies, be coordinated through and meet the program priorities of the Naval Air Systems Command and the Naval Research Laboratory. The conferees urge the Navy to coordinate research in cross-cutting technologies between the proximity x-ray program, and related technologies, and the DARPA subtenth micron advanced lithography program. The conferees endorse the Senate report requirement (S. Rept. 105–29) that the Navy prepare and submit a plan to expeditiously complete the transition of the program to industry with fieldable technology. The plan must be submitted to the congressional defense committees no later than 180 days after the date of enactment of this Act.

Electronic commerce resource centers

The budget request included $14.9 million in PE 63753S for electronic commerce resource centers (ECRC).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $3.0 million in PE 63753S for the establishment of a new ECRC.

The conferees agree to authorize an increase of $6.0 million in PE 63753S: $3.0 million for the establishment of a new center, as discussed in the Senate report (S. Rept. 105–29); and $3.0 million for the establishment of an additional center. The conferees direct that all applicable competitive and merit-based procedures be used in the award of contracts, grants, or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

Land warfare technologies

The budget request included $82.58 million in PE 63764E for land warfare technologies advanced technology development.

The House bill would authorize an increase of $6.6 million in PE 63764E for the active structural control program and $14.0 million for the DP-2 vectored thrust program. The House bill would also authorize a $9.0 million reduction in PE 63764E.

The Senate amendment would authorize an increase of $4.4 million for the active structural control program.

The conferees agree to authorize an increase of $5.4 million for the active structural control program. The conferees also agree to a decrease of $5.0 million in PE 63764E for the small unit operations program.

The conferees are aware of recent progress in the activities related to the DP–2 vectored thrust program. The Office of Naval Research has recently sponsored the vectored thrust program and prior year funds were transferred from the Defense Advanced Research Projects Agency for this purpose. The

conferees encourage the Navy to reprogram additional funds to support this program should initial testing prove successful.

Defense Reconnaissance Support Activities

The budget request included $49.4 million in PE 35159I for Defense Reconnaissance Support Activities.

The House bill would direct the Department of Defense to discontinue, not later than October 1, 1999, the Defense Space Reconnaissance Program (DSRP) and close the Defense Space Program Office (DSPO).

The Senate amendment contained no such direction and would authorize the budget request.

The House recedes.

The conferees agree that there appears to be an overly bureaucratic management of space reconnaissance support to military operations. The DSPO was established in 1981 to provide management support and oversight of programs which improve satellite reconnaissance support to the operational military commander. DSPO was established as an overt liaison between the then unacknowledged National Reconnaissance Office (NRO) and the military services. After public acknowledgment of the NRO, the Director of the NRO: (1) established direct support to military operations as a core function of the Office; and (2) created the NRO position of Deputy Director, Military Support to manage this function and the DSPO organization.

The conferees believe the Department needs to review the need for continuing the DSPO in light of the NRO's public acknowledgment and its stated military support mission. Further, the conferees believe that the position of Deputy Under Secretary of Defense for Space provides the additional civilian oversight necessary to ensure the effective application of space support to the military services.

Therefore, the conferees believe the Secretary of Defense should determine whether there is a need to retain the DSPO management organization and the DSRP program it manages. The conferees note that such a determination could benefit from the advice of the Task Force on Defense Reform. The conferees direct the Secretary to report to the congressional defense and intelligence committees on the results of his determination by March 1, 1998.

Special operations tactical systems development

The budget request included $73.1 million to support special operations tactical systems development (PE 116404BB).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $2.7 million to support special operations tactical systems.

The conferees agree to authorize the transfer of $36.4 million from special operations shipbuilding procurement to the advanced SEAL delivery system (ASDS) to address funding shortfalls. The conferees are concerned about the significant problems associated with development and management over the life of the ASDS program. The conferees have been notified of the program shortfalls and corrective actions implemented by the Navy to bring this program back on track. The conferees agree to support the Navy request to use available procurement funds to support proposed corrective actions and expect the Navy to improve its oversight of this important program. The conferees are aware that a realignment of funds will be made in the fiscal year 1999 budget request to complete ASDS–1. The conferees direct that, prior to February 15, 1998, the Secretary of the Navy report to the congressional defense committees on the total projected costs of the ASDS, the estimated date of construction completion, and adjusted plans for sea trials and initial operating capability. In addition, the report shall include the Future Years Defense Program funding for the ASDS program.

The conferees agree to authorize a total of $109.5 million in PE 116404BB.

Special operations intelligence systems development

The budget request included $4.9 million to support special operations intelligence systems development.

The House bill would authorize an increase of $3.0 million to support the mission familiarization virtual reality project and an additional increase of $5.0 million for the special operations forces intelligence vehicle.

The Senate amendment would authorize an increase of $4.0 million to develop the joint threat warning system.

The conferees agree to authorize an increase of $6.0 million for special operations system development. Of this amount, $3.0 million is for the special operations forces intelligence vehicle and $3.0 million is for the joint threat warning system.

ITEMS OF SPECIAL INTEREST

Army research institute

The conferees note the continuing needs of the Army for analyses related to personnel recruitment and training as well as issues related to gender and racial integration. The conferees note the studies in these areas carried out by the Army Research Institute and urge the Army to consider its requirements for further research before taking action to reduce further the activities of the Institute.

Aviation advanced technology

The budget request included $31.3 million for aviation advanced technology in PE 63003A. The conferees encourage the Army, with the funds available, to consider exploring the potential operational value and key technical issues related to an integrated manned and unmanned aerial vehicle scout team.

BOL expendable dispenser system

The conferees are aware of the important survivability enhancement that the BOL expendable dispenser system provides our operational F–14 aircraft, and the potential capability that the system may provide for other aircraft.

The Congress provided approximately $18.0 million in fiscal year 1997 for final testing and qualification of the BOL on the F/A–18C/D aircraft. The conferees understand that progress in testing and qualification has been slow, despite the Navy's expressed desire to accelerate the program for the F/A–18C/D. The conferees direct the Secretary of the Navy to report to Congress with the submission of the fiscal year 1999 budget on the results of the Navy's assessment and intentions regarding qualification and potential fielding the BOL system on the F/A–18C/D aircraft.

Department of Defense science and technology program

Today, U.S. military forces have the capabilities to deploy anywhere in the world, sustain forward presence indefinitely, and win decisively on any battlefield. Those capabilities are a direct result of investments in research and technology sustained over the last 50 years. Such investments have played a crucial role in the development of advanced technologies and in the education and training of scientific personnel required to support the technological advances necessary for maintaining military superiority.

The conferees note with concern the continuing reduction in the funding in real terms for science and technology programs in the Department of Defense, especially in the programs of the services. Because military forces will be smaller in the future, effective application of technology will be even more critical for battlefield superiority. Investments in defense science and technology programs should be strengthened in recognition of this reality. The conferees urge the Department to include a robust level of funding for science and technology programs in the request for fiscal year 1998.

High temperature superconductor power applications

The conferees understand that the Navy is pursuing large-scale applications of high temperature superconductors (HTS) for electric drive ship propulsion and other applications. The conferees also note that the Submarine Technology Assessment Panel, commissioned by the Assistant Secretary of the Navy (Research, Development and Acquisition), recommended in its final report that the Navy focus research and development efforts to ensure the maturity of the superconducting technology and the incorporation of electric drive into a submarine design as soon as feasible. In light of the initiation of the Navy development and production of the New Attack submarine, SC–21 and CV(X), and the progress realized by the commercial sector in the development and application of this technology and its potential benefits, the conferees encourage the Navy to consider this technology for widespread use in propulsion and auxiliary equipment. The conferees direct that Secretary of the Navy to submit a report to the congressional defense committees, no later than March 1, 1998, that describes the results of the tests conducted on the prototype HTS motor.

Improving collaboration between the Department of Defense and the Department of Energy laboratories

The conferees endorse the direction given on pages 425 and 426 of the Senate report (S. Rept. 105–29) regarding the establishment of a pilot program proposal for direct collaboration between the Department of Defense and the Department of Energy laboratories and sites. However, in order to provide for a more focused program, the conferees direct that the Under Secretary of Defense for Acquisition and Technology need only work in consultation with the Assistant Secretary of Energy for Defense Programs in preparing the pilot proposal.

Interferometric synthetic aperture radar

Forward deployed U.S. armed forces have a need for up-to-date and highly accurate maps that provide three-dimensional location of targets, including altitude, latitude, and longitude, and for reconstruction of terrain in a three-dimensional setting for planning combat missions. The conferees understand that an airborne interferometric synthetic aperture radar (IFSAR) has the potential to provide imagery of one foot resolution and digital terrain elevation data (DTED) at DTED level 4.

The conferees understand that the Army and the Defense Advanced Research Projects Agency recently demonstrated an airborne IFSAR during operations in support of U.S. ground forces in Bosnia. The test system is relatively small and for test purposes was flown on a business jet, which proved satisfactory in Bosnia. To operate in a major regional contingency, however, U.S. armed forces would require a larger, more capable system, flying at higher altitudes.

The conferees direct the Secretary of Defense and the Intelligence community to study the costs, feasibility, and potential capability gains of placing an IFSAR on a U–2 or high altitude endurance unmanned aerial vehicle, and to report the results of this analysis to the congressional defense committees with the submission of the fiscal year 1998 budget request.

Naval biodynamics laboratory data bank

For nearly thirty years, the NBDL focused on the intensive test, study, and analysis of the human body's response to the trauma of crashes, and developed a national data bank of collective human crash response information based on approximately 3,500 crash tests using live human subjects. In 1996, the NBDL ceased operations as a result of previous decisions to close the laboratory, but was not able to consolidate and safely store its research information in a consistent, useful data bank format. The conferees believe that the effort spent in amassing the unique human response data by the NBDL should not be lost. Accordingly, the conferees direct the Secretary of the Navy to develop a plan that establishes a national crash survival data bank that will safeguard the integrity of the data gathered by the NBDL and to submit a report on the plan and the funding required to establish the data bank with the fiscal year 1999 Department of Defense budget request.

Strategic systems industrial capabilities

The Department of Defense has consistently highlighted the need to maintain certain industrial base skills and technologies unique to strategic programs. The conferees support the efforts that the Department and the services have made to ensure that these technologies and skills are maintained for future uses. The conferees support Air Force efforts with respect to specialized materials, such as 2–2–3 carbon/carbon, that may be needed for future space and other applications. The conferees urge the Secretary to review the Future Years Defense Program to ensure that Strategic Systems specialized industrial base issues are adequately funded.

Telemedicine

The conferees have a continuing interest in telemedicine and in the promise that the application of telemedicine technology holds for improvements in the health care of service members on the battlefield, at sea, and in military and civilian health care facilities. The conferees are aware that the General Accounting Office (GAO) in its February 1997 report ''Telemedicine: Federal Strategy is Needed to Guide Investments'' concluded that telemedicine has the potential to revolutionize the way health care is delivered and that recent increased interest in telemedicine technology has resulted in widespread applications throughout the United States. However, the GAO also concluded that no overarching, government-wide strategy exists to ensure that the most is gained from federal telemedicine efforts. The conferees believe that because the Department of Defense (DOD) is one of the major federal investors in telemedicine and manages one of the nation's largest health care systems, it would be in a good position to help forge an overall telemedicine strategy. A first step in this direction would be the development of a department-wide telemedicine strategy.

The conferees strongly recommend that the Secretary of Defense develop and submit to the congressional defense committees by March 31, 1998, an overarching telemedicine research and development and operation strategy. The strategy should clearly define the scope of telemedicine in the Department, establish DOD-wide goals and objectives, and identify actions and appropriate milestones for achieving them; prioritize and target near- and long-term investments, especially for goals related to combat casualty care and operations other than war; and clarify the roles of DOD oversight organizations. The conferees also recommend that the Secretary coordinate with the Joint Working Group on Telemedicine in the development of national goals and objectives for telemedicine.

LEGISLATIVE PROVISIONS ADOPTED

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Dual-use technology program (sec. 203)

The House bill contained a provision (sec. 203) that would direct the Department of Defense to fund the dual-use science and technology program in fiscal year 1998 as a percentage of the science and technology program of each of the services.

The Senate amendment contained a provision (sec. 216) that would establish a set of goals with increasing levels of funding for new starts in the applied research accounts of the military services to be devoted to dual-use projects in each of fiscal years 1998, 1999, and 2000. Under the provision, the dual-use projects entered into by the military services would have to require a minimum cost-share of 50 percent from non-federal participants in order to count toward meeting the specified goal. The provision would also assign oversight responsibility for implementation of dual-use technologies to an official who would report directly to the Under Secretary of Defense for Acquisition and Technology.

The House recedes with an amendment that would increase the goals set in the Senate provision and impose the percentages to the entire applied research accounts of the military services rather than new starts within those accounts for each of fiscal years 1998, 1999, 2000, and 2001. The provision would also place restrictions on the proportion of in-kind contribution in the non-federal cost-share for dual-use projects that would be applied toward meeting the goals. Finally the provision would specifically authorize $50.0 million for the Commercial Operations and Support Initiative (COSSI) and $75.0 million for the dual-use science and technology projects in fiscal year 1998. The conferees direct that the funds authorized for the COSSI program in fiscal year 1998 be used only to complete projects under existing agreements and that no new solicitation under the COSSI program be initiated until fiscal year 1999.

The conferees direct the Secretary of Defense to submit to the congressional defense committees, at the time of the budget request for each of the fiscal years for which a goal applies under the provision, a report on the plans for the program for the fiscal year of the request. The report should provide sufficient detail with respect to funding allocations, priorities, and technology development goals for both the science and technology program and the COSSI program to allow Congress to make an informed decision on the request.

Subtitle B—Program Requirements, Restrictions, and Limitations

Manufacturing technology program (sec. 211)

The House bill contained a provision (sec. 211) that would amend section 2525 of title 10, United States Code, through fiscal year 2000, to establish a funding requirement for the manufacturing technology (MANTECH) program of 0.25 percent of the amount available for demonstration and validation, engineering and manufacturing development, operational system development, and procurement programs of the Army, the Navy, the Air Force, and Defense Agencies, or the amount authorized by law for manufacturing technology projects of the military departments and defense agencies, whichever amount is greater. The provision would also require an annual report to Congress through fiscal year 2000.

The Senate amendment contained a provision (sec. 231) that would amend section 2525(c)(2) of title 10, United States Code, to clarify the rationale for the requirement that the Department seek the participation of manufacturers of manufacturing equipment in the projects under the MANTECH program.

The House recedes with an amendment that would include the requirement for the Secretary of Defense to prepare a five year plan for the MANTECH program that establishes manufacturing technology goals, milestones, and priorities, the investment strategy for the program, annual program objectives, and annual funding for the program by defense agencies and the military departments.

The conferees strongly endorse the Department of Defense manufacturing technology program. The program provides ''seed funding'' for the development of moderate to high risk material, process, and equipment technology to enable production of advanced, high quality weapons systems with shorter lead times and reduced acquisition costs. The conferees also endorse the need to stabilize the funding level for the MANTECH program and eliminate the uncertainty in annual funding that has reduced the program's effectiveness and efficiency. The conferees believe that the program's objectives, investment strategy, and funding level must be closely tied to the manufacturing technology and process requirements of the various Defense acquisition programs. To achieve this goal and to maintain the Department of Defense MANTECH program at the funding level needed to assure the availability of advanced manufacturing technology and processes, the conferees recommend that the Secretary establish a funding target for the program of at least 0.25 percent of the amount programmed by each of the military departments and defense agencies for their demonstration and validation, engineering and manufacturing development, operational system development, and procurement programs.

Report on operational field assessments program (sec. 212)

The House bill contained a provision (sec. 220) that would require the Secretary of Defense to submit to the Congress no later than March 30, 1998 a report on the operational field assessments program, including a description of future plans for the program and funding requirements for planned activities under the program.

The Senate amendment contained no similar provision, but authorized an increase of $8.0 million in PE 65118D for operational field assessments in fiscal year 1998.

The Senate recedes with an amendment that would require the Secretary of Defense to report to the Congress on the manner in which the operational field assessment program plan will ensure responsiveness to the mission needs of the commanders of the unified combatant commands. The conferees agree to authorize an increase of $4.0 million in PE 65118D to support operational field assessments in fiscal year 1998.

Joint Strike Fighter Program (sec. 213)

The Senate amendment contained a provision (sec. 211) that would require the Secretary of Defense to submit a report to the congressional defense committees on the options for the sequence in which the variants of the Joint Strike Fighter (JSF) are to be produced and fielded.

The House bill contained no similar provision.

The House recedes with an amendment that would include a requirement for certification that the JSF program contains sufficient funding to carry out an alternate engine program that includes flight qualification of an alternate engine.

Kinetic energy tactical anti-satellite technology program (sec. 214)

The Senate amendment contained a provision (sec. 218) that would authorize $80.0 million in PE 63892D to continue the Kinetic Energy Tactical Anti-Satellite (KE–ASAT) program in fiscal year 1998. The provision would also prohibit the obligation of funds in PE 65104D, relating to technical studies and analyses, until the funds appropriated for the KE–ASAT program for fiscal year 1998 have been released to the KE–ASAT program manager.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize $37.5 million for the KE–ASAT program for fiscal year 1998.

The conferees understand that the administration maintains that there is no military requirement for the KE–ASAT program and that the Department of Defense does not support it. However, there appears to be some confusion regarding the Department's support for some degree of KE–ASAT technology development. The Department of Defense's recent Space Control Architecture study appears to endorse continued development of KE–ASAT technology, and the National Space Policy appears to call for the development of active counter-satellite capabilities.

In light of these factors, the conferees direct the Secretary of Defense to submit a report to the congressional defense committees by February 15, 1998, to include the following: (1) a determination as to whether the National Space Policy and DOD Space Policy establish requirements for the development of active counter-satellite capabilities; (2) a summary of the DOD Space Control Architecture study, including any updates to the study, and the study's findings and recommendations regarding the KE–ASAT program; and (3) a determination by the Secretary as to whether the Department of Defense should develop active counter-satellite capabilities and, if so, whether the Secretary intends to sustain some level of KE–ASAT technology development. The report shall be submitted in an unclassified form and, if necessary, in a classified form.

The conferees note that fiscal year 1997 funds remain available for the KE–ASAT program. The conferees continue to support the development of KE–ASAT technology.

Micro-satellite technology development program (sec. 215)

The Senate amendment contained a provision (sec. 219) that would authorize $50.0 million in PE 63401F for the Clementine 2 program. The provision would also prohibit the obligation of more than $35.0 million of funds authorized in PE 64480F for the Global Positioning System Block IIF satellite system until the Secretary of Defense certifies to Congress that the Secretary has made available for obligation funds appropriated for fiscal year 1998 for the Clementine 2 Micro-Satellite program.

The House bill contained no similar provision.

The House recedes with an amendment that would require: (1) that the Clementine 2 program be restructured into a micro-satellite technology development program that supports a range of space mission areas; and (2) the Secretary of Defense to provide a report on the restructured micro-satellite program to the congressional defense committees.

The conferees note that the Air Force and U.S. Space Command have supported micro-satellite development activities and that the Air Force has established and provided a limited amount of funding for such a program in the Future Years Defense Program. The conferees continue to support innovative technology demonstrations designed to test key technologies in space and urge the Secretary of Defense to ensure that the restructured micro-satellite technology program continues such efforts. The conferees note that the Air Force, in conjunction with the office of the Deputy Undersecretary of Defense for Space, has developed a range of options for such a program. The conferees believe that funds appropriated for the Clementine 2 program in prior years should be used to support the restructured micro-satellite program.

High altitude endurance unmanned vehicle program (sec. 216)

The Senate amendment contained a provision (sec. 213) that would impose a cost cap on the High Altitude Endurance Unmanned Aerial Vehicle (HAE UAV) program at the levels requested in the fiscal year 1998 budget request.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the reporting requirement of the provisions and the certification requirements for the program.

F–22 aircraft program (sec. 217)

The Senate amendment contained a provision (sec. 212) that would impose cost caps on both the total cost of engineering and manufacturing development (EMD) and the total cost of production of the F-22. Additionally, the Senate amendment would require an annual report by the Comptroller General that would assess the progress of EMD and its prospect of completion under the cost cap. The annual report would be required until EMD is complete. Finally, the Senate amendment would limit the obligation of funds authorized to be appropriated each fiscal year to 90 percent until the Comptroller General's annual report is submitted.

The House bill contained no similar provision.

The House recedes with an amendment that would allow adjustments to the cost caps for economic inflation and compliance with laws enacted after September 30, 1997.

Subtitle C—Ballistic Missile Defense Programs

National Missile Defense Program (sec. 231)

The Senate amendment contained a provision (sec. 225) that would require the Secretary of Defense to structure the National Missile Defense (NMD) program to support an integrated NMD system test in fiscal year 1999. The provision would also require the Secretary of Defense to prepare a plan for the development and deployment of an NMD system that could achieve initial operational capability in fiscal year 2003. Finally, the provision would authorize $978.1 million for NMD in fiscal year 1998.

The House bill contained no similar provision.

The House recedes.

Budgetary treatment of amounts for procurement for ballistic missile defense programs (sec. 232)

The House bill contained a provision (sec. 231) that would require future budget requests for procurement of the National Missile Defense program and for core theater missile defense programs to be within the accounts of the Ballistic Missile Defense Organization (BMDO) rather than in the accounts of the military services.

The Senate amendment contained a provision (sec. 226) that would direct the Secretary of Defense to transfer ballistic missile defense program procurement funds previously managed by the Ballistic Missile Defense Organization from military service accounts back to their original BMDO procurement accounts.

The Senate recedes with an amendment that combines the House and the Senate provisions.

Cooperative Ballistic Missile Defense program (sec. 233)

The House bill contained a provision (sec. 232) that would establish a Cooperative Ballistic Missile Defense Program within the Ballistic Missile Defense Organization (BMDO), to support on-going and future technical and analytical cooperative efforts between the United States and other nations that contribute to U.S. missile defense capabilities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would provide the Secretary of Defense discretion to exclude certain ballistic missile defense acquisition programs from the cooperative ballistic missile defense program element. The conferees understand that BMDO has developed plans for the creation of a dedicated cooperative ballistic missile defense program element and look forward to this new program element in the fiscal year 1999 budget request.

Annual report on the threat posed to the United States by weapons of mass destruction, ballistic missiles, and cruise missiles (sec. 234)

The House bill contained a provision (sec. 234) that would direct the Secretary of Defense, in consultation with the Director of Central Intelligence, to prepare and submit to Congress by January 30 of each year, a report on threats posed to the United States and its allies by cruise missiles, ballistic missiles, and weapons of mass destruction, and the proliferation of such technologies.

The Senate amendment contained no similar provision.

The Senate recedes.

Director of Ballistic Missile Defense Organization (sec. 235)

The House bill contained a provision (sec. 235) that would require that the Director of the Ballistic Missile Defense Organization (BMDO) carry the grade of lieutenant general or general or, in the case of an officer of the Navy, vice admiral or admiral. It would also require that the Director of BMDO report directly to the Secretary of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would permit the appointment of a civilian official of equivalent grade as Director of BMDO and eliminate the requirement that the Director report directly to the Secretary of Defense.

The conferees direct the Secretary of Defense to ensure that the director of BMDO is accorded full access to the Secretary and all other senior Department of Defense officials on matters pertaining to the management of ballistic missile defense programs for which the director has responsibility.

Repeal of required deployment dates for core theater missile defense programs (sec. 236)

The House bill contained a provision (sec. 233) that would amend section 234(a) of the Ballistic Missile Defense Act of 1995 by eliminating deployment dates for certain core theater missile defense (TMD) programs and modifying the deployment date for the Theater High Altitude Area Defense (THAAD) program. The provision also made technical and conforming changes to section 234(a).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would eliminate all deployment dates for core TMD programs from section 234(a) of the Ballistic Missile Defense Act of 1995.

The conferees continue to support the earliest possible deployment of effective theater missile defenses, consistent with acceptable program risk, as a matter of high national priority. The conferees believe that the mandated deployment dates made clear the high priority attached by Congress to all four core theater missile defense programs. These dates and congressional funding increases have propelled the Navy Area Theater Ballistic Missile Defense program into engineering and manufacturing development and the Patriot Advanced Capability-3 (PAC–3) program into procurement. Congressionally mandated deployment dates were also motivated by the Department of Defense's failure to commit firmly to a deployment schedule for the Navy Theater Wide and THAAD programs that would result in deployment of these vital capabilities at the earliest opportunity consistent with acceptable technical and program risk.

Henceforth, the conferees anticipate that a statement of congressional intent concerning the management of the core TMD programs will be issued annually. The conferees believe that the flexibility of annual statements will allow for rigorous and effective congressional oversight.

Subtitle D—Other Matters

Restructuring of National Oceanographic Partnership Program organization (sec. 241)

In signing the National Defense Authorization Act for Fiscal Year 1997, the President issued a statement that the statute's method for the appointment of certain members of the National Ocean Leadership Council would violate the Appointments Clause of the Constitution. Although the statement provided that the Council should not exercise significant governmental authority, the administration allowed the Council to be convened with the 12 members whose appointment did not raise any constitutional issue, pending the enactment of corrective legislation.

The House bill contained a provision (sec. 214) that would amend section 7902 of title 10, United States Code, to provide that the President, or his designee, shall appoint members of the National Ocean Research Council who are not already government officers, to represent the views of the ocean industries, state governments, and academia, and such other views as the President considers appropriate.

The Senate amendment contained a provision (sec 234) that would amend section 7902(b) to revise the membership of the Council by removing those members whose appointment would raise constitutional questions. The National Ocean Leadership Council would remain as currently established by the administration, with members representing the 12 Federal agencies with significant oceanographic interest. The provision also recommended that the membership of the Council's Ocean Research Advisory Panel be expanded to include representatives from the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine, as well as government, academia, and the oceans industry.

The House recedes with an amendment that would clarify the role of the Ocean Research Advisory Panel with regard to membership and responsibilities.

Maintenance and repair of real property at Air Force installations (sec. 242)

The House bill contained a provision (sec. 215) that would amend chapter 949 of title 10, United States Code, by adding a new provision to permit the use of both research, development, test, and evaluation funds and operations and maintenance funds for maintenance and repair of real property at Air Force installations.

The Senate amendment contained no similar provision.

The Senate recedes.

Expansion of eligibility for the defense experimental program to stimulate competitive research (sec. 243)

The House bill contained a provision (sec. 216) that would amend section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) to ensure the eligibility of the Commonwealth of Puerto Rico and other U.S. territories to participate in the Defense Experimental Program to Stimulate Competitive Research.

The Senate amendment contained a similar provision (sec. 233).

The House recedes.

Bioassay testing of veterans exposed to ionizing radiation during military service (sec. 244)

The House bill contained a provision (sec. 217) that would authorize $300,000 for the Nuclear Test Personnel Program conducted by the Defense Special Weapons Agency.

The Senate amendment contained a similar provision (sec. 220) that would authorize $300,000 for the Nuclear Test Personnel Program conducted by the Defense Special Weapons Agency for the third phase of bioassay testing of radiation-exposed veterans who participated in radiation-risk activities, and would direct the collection of samples by the appropriate department of agency appropriate agency, and the transfer under appropriate chain of custody to the Brookhaven National Laboratory.

The House recedes with an amendment that would authorize $300,000 for the Nuclear Test Personnel Program from funds authorized for the Defense Special Weapons Agency to conduct the third phase of bioassay testing of veterans exposed to ionzing radiation during their military service.

The conferees agree that neither the Brookhaven National Laboratory, nor the Defense Special Weapons Agency (DSWA), have the capability to collect the samples from the veterans who participated in the United States atmospheric nuclear testing program or the occupation of Hiroshima and Nagasaki, Japan. Therefore, the conferees direct the appropriate department or agency, with access to the veterans who participated in these activities, to collect the required bioassay samples and transfer them to Brookhaven National Laboratory under the appropriate chain of custody.

Sense of Congress regarding Comanche program (sec. 245)

The House bill contained a provision (sec. 218) that would express support for Comanche program technology transfer and acquisition efforts.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the Department of Defense should evaluate potential technology transfer and acquisition initiatives within the Army Comanche program that have the potential to increase the efficiency of the program or reduce risk. If the Department identifies an initiative with merit, the conferees expect that funding will be identified for the initiative in the future years defense program.

LEGISLATIVE PROVISIONS NOT ADOPTED

Strategic environmental research and development program

The House bill contained a provision (sec. 212) that would direct the Secretary of Defense to submit a report on the Strategic Environmental Research and Development Program (SERDP) by February 28, 1998. In relation to each SERDP project, the report would specify the following: (1) defense-unique and mission-relevant aspects; and (2) certify that it does not duplicate other environmental research, development, and demonstration efforts of other government entities or organizations.

The Senate amendment contained no similar provision.

The House recedes.

The conferees have been advised by the Department of Defense that technologies funded through SERDP are carefully screened to identify projects that may duplicate efforts within the Department. The conferees direct the Department of Defense to ensure that every effort is made to avoid redundant research and development efforts in the area of environmental technology.

Tactical unmanned aerial vehicles

The House bill contained a provision (sec. 213) that would prohibit the obligation of funds for the Outrider Advanced Concept Technology Demonstration (ACTD) program.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are disappointed with the progress of the Outrider ACTD program to date. The conferees believe that the program has suffered irreparably from unstable and ambiguous joint requirements and note that the program appears to be on a path to failure with respect to its operational capabilities. In the future, the conferees will look less favorably on ACTD programs that are not limited demonstrations of mature technologies, but rather thinly veiled attempts to evade the regular order of the acquisition process.

Accordingly, the conferees agree to authorize $45.0 million for completion of the Outrider ACTD development and user activities, but not procurement of operational Outrider systems. Moreover, the conferees agree to authorize these Outrider ACTD activities in PE 63003A, Advanced Aviation Technology program.

Land attack standard missile

The House bill contained a provision (sec. 219) that would authorize an increase of $10.0 million increase in PE 63795N for flight test demonstration and risk reduction activities for the Land Attack Standard Missile. In addition, the provision would decrease PE 63217N (Air Systems and Weapons Advance Technology) by $5.0 million and PE 63508N (Ship Hull Mechanical and Electrical Technology) by $5.0 million.

The Senate amendment contained no similar provision.

The House recedes. The conferees agree to authorize an increase of $3.0 million in PE 63795N for the Land Attack Standard Missile as discussed elsewhere in this report.

Tactical High Energy Laser program

The House bill contained a provision (sec. 236) that would transfer the Tactical High Energy Laser (THEL) program from the Department of the Army to the Ballistic Missile Defense Organization, and authorize $38.2 million for THEL in fiscal year 1998.

The Senate amendment contained no similar provision.

The House recedes. Fiscal year 1998 funding for THEL is addressed elsewhere in this report.

Advanced anti-radiation guided missile program

The Senate amendment contained a provision (sec. 214) that would authorize the Secretary of the Navy to use up to $25.0 million of the amount authorized for fiscal year 1997 for the advanced anti-radiation guided missile (AARGM) program to fund fiscal year 1998 research development, test, and evaluation programs of the Navy that have a higher priority.

The House bill contained no similar provision, but would authorize an increase of $35.0

million in PE 25601N to continue the ARRGM program.

The Senate recedes.

The conferees share the concerns expressed in the House report (H. Rept. 105–132) that the high degree of concurrency in the schedule for development and demonstration of the AARGM results in increased risk to the program and that a more sequential development program may be warranted. Accordingly, the conferees reiterate the guidance in the House report (H. Rept. 105–132) that the Secretary of the Navy conduct an independent assessment of the program plan, development and demonstration schedule, program execution, technical performance, and program risk. The Secretary shall report the results of the assessment to the congressional defense committees by March 31, 1998.

The report should also include the Secretary's recommendations regarding the objectives of the program, revisions to the program schedule, and the funding required to complete the program.

Federally funded research and development centers

The Senate amendment contained a provision (sec. 215) that would prohibit the Department of Defense (DOD) from funding more than 6,206 staff years of technical effort for federally funded research and development centers (FFRDC's) out of the funds authorized to be appropriated for the DOD for fiscal year 1998.

The House bill contained no similar provision.

The Senate recedes.

Department of Defense/Veterans' Administration cooperative research program

The Senate amendment contained a provision (sec. 221) that would authorize $15.0 million for the Department of Defense/Veterans Administration (DOD/VA) cooperative research program from the funds authorized to be appropriated for research, development, test, and evaluation for defense agencies in fiscal year 1998.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize $15.0 million in PE 63738D for the Cooperative DOD/VA Medical Research Program of which $4.5 million is authorized for the Persian Gulf illness clinical trials program discussed on page 161 of the House report (H. Rept. 105–132). The conferees direct that all applicable competitive, merit-based procedures be used in the award of contracts, grants or other agreements under the Cooperative DOD/VA Medical Research Program. The conferees further direct the Secretary of Defense to ensure that any Department of Defense funds authorized for fiscal year 1998 program be expended for research on the medical problems of men and women associated with military service.

Multitechnology integration in mixed-mode electronics

The Senate amendment contained a provision (sec. 222) that would authorize an increase of $7.0 million for multitechnology integration in mixed-mode electronics (MIME) research. The Senate provision would reduce by an equal amount the funds authorized to be appropriated for procurement for the reserve components of the armed services and made available for special equipment for user testing.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of $7.0 million in PE 62712E for applied research in MIME technology, as discussed elsewhere in this report.

Facial recognition technology program

The Senate amendment contained a provision (sec. 223) that would authorize an increase of $5.0 million for a facial recognition technology program.

The House bill contained no similar provision, but would authorize $5.0 million for a facial recognition technology program in the counterterror technical support program (PE 63122D).

The Senate recedes. The conferees agree to authorize $3.0 million for a facial recognition technology program in the defense tactical technology program (PE 62702E).

Explosives demilitarization technology

The Senate amendment included a provision (sec. 235) that would direct the Secretary of Defense to conduct an explosive munitions demilitarization demonstration program, and using competitive procedures, conduct a demonstration using an existing, commercially available blast chamber technology as an alternative to open burning, open pit detonation of munitions; require the Secretary of Defense to submit to Congress, along with the fiscal year 2000 budget, a report on the results of the demonstration program and assessment of the relative benefits of the blast chamber technology with regard to levels of emissions and noise, and a cost benefit analysis of this technology. The provision would increase the budget request for the explosives demilitarization technology program by $6.0 million for the demonstration program and reduce by $6.0 million the budget request for the Army account for special equipment for user testing.

The House bill contained no similar provision.

The Senate recedes.

The conferees agreed to authorize an increase of $4.0 million for the munitions standardization, effectiveness and safety program (PE 65805A) from which a demonstration program utilizing commercially available blast chamber technology may be conducted, and is described elsewhere in this title.

TITLE III—OPERATION AND MAINTENANCE

Overview

The budget request for fiscal year 1998 contained an authorization of $93,195.7 million for Operation and Maintenance in the Department of Defense and $2,163.4 for Working Capital Fund Accounts in fiscal year 1998. The House bill would authorize $92,616.2 million for Operation and Maintenance and $2,153.6 for Working Capital Fund Accounts. The Senate amendment would authorize $93,292.9 million for Operation and Maintenance and $1,488.1 for Working Capital Fund Accounts. The conferees recommended an authorization of $93,794.2 million for Operation and Maintenance and $2,031.9 for Working Capital Fund Accounts for fiscal year 1998. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
OPERATION AND MAINTENANCE & WORKING CAPITAL FUNDS					
Operation and Maintenance, Army	17,215,484	17,185,034	17,194,284	(40,895)	17,174,589
Operation and Maintenance, Navy	21,581,130	21,372,699	21,681,330	366,526	21,947,656
Operation and Maintenance, Marine Corps	2,305,345	2,381,245	2,379,445	119,300	2,424,645
Operation and Maintenance, Air Force	18,910,785	18,745,985	18,861,685	262,200	19,172,985
Operation and Maintenance, Defense-wide	10,403,938	10,030,057	10,260,838	(161,331)	10,242,607
Operation and Maintenance, Army Reserve	1,192,891	1,202,891	1,212,891	15,000	1,207,891
Operation and Maintenance, Navy Reserve	834,711	849,711	834,711	12,000	846,711
Operation and Maintenance, Marine Corps Reserve	110,366	110,366	110,366	6,000	116,366
Operation and Maintenance, Air Force Reserve	1,624,420	1,629,120	1,631,200	6,780	1,631,200
Operation and Maintenance, Army National Guard	2,258,932	2,266,432	2,288,932	52,500	2,311,432
Operation and Maintenance, Air National Guard	2,991,219	2,985,969	3,004,282	8,563	2,999,782
Office of the Inspector General	136,580	136,580	136,580		136,580
United States Court of Appeals for the Armed Forces	6,952	6,952	6,952		6,952
Environmental Restoration, Army	377,337	377,337	350,337	(2,000)	375,337
Environmental Restoration, Navy	277,500	277,500	257,500	(2,000)	275,500
Environmental Restoration, Air Force	378,900	378,900	351,900	(2,000)	376,900
Environmental Restoration, Defense-Wide	27,900	27,900	25,900	(1,000)	26,900
Environmental Restoration, Formerly Used Defense Sites	202,300	202,300	188,300		202,300
Overseas Humanitarian, Disaster, & Civic Aid	80,130	50,000	40,130	(33,000)	47,130
Drug Interdiction and Counter-drug Activities, Defense	652,582	661,671	660,882	14,300	666,882
Defense Health Program	9,766,582	9,975,382	9,954,782	191,200	9,957,782

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Former Soviet Union Threat Reduction	382,200	284,700	382,200		382,200
Overseas Military Investment Recovery		0	0		0
Disposal of DoD Real Property		0	0		0
Lease of DoD Real Property		0	0		0
Payment to Kaho' Olawe Island Fund	10,000	10,000	10,000		10,000
Restoration of Rocky Mountain Arsenal		0	0		0
National Science Center, Army		0	0		0
Overseas Contingency Operation Transfer Fund	1,467,500	1,467,500	1,467,500	(213,600)	1,253,900
Defense Burdensharing-Allies/Nato		0	0		0
Subtotal Operation and Maintenance	93,195,684	92,616,231	93,292,927	598,543	93,794,227
REVOLVING FUNDS					
Defense Working Capital Fund (DECA)	33,400	971,952	33,400	938,552	971,952
Military Commisary Revolving Fund	938,552	0	938,552	(938,552)	0
National Defense Sealift Fund	1,191,426	1,181,626	516,126	(131,478)	1,059,948
Subtotal Working Capital Funds	2,163,378	2,153,578	1,488,078	(131,478)	2,031,900
Total Operation and Maintenance & Working Capital Funds	95,359,062	94,769,809	94,781,005	467,065	95,826,127

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		OPERATION AND MAINTENANCE, ARMY					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		LAND FORCES	2,994,535	3,054,735	3,028,535	62,200	3,056,735
2020A	10	DIVISIONS	1,221,794	1,281,994	1,255,794		1,301,994
	10a	Organization Clothing and Equiptment			[34,000]	20,000	
	10b	National Training Center		[60,200]		60,200	
2020A	20	CORPS COMBAT FORCES	350,942	350,942	350,942	(18,000)	332,942
2020A	30	CORPS SUPPORT FORCES	323,190	323,190	323,190		323,190
2020A	40	ECHELON ABOVE CORPS FORCES	440,542	440,542	440,542		440,542
2020A	50	LAND FORCES OPERATIONS SUPPORT	658,067	658,067	658,067		658,067
		LAND FORCES READINESS	1,882,051	2,044,051	1,882,051	143,200	2,025,251
2020A	60	FORCE READINESS OPERATIONS SUPPORT	898,356	898,356	898,356		898,356
2020A	70	LAND FORCES SYSTEMS READINESS	346,651	346,651	346,651		346,651
2020A	80	LAND FORCES DEPOT MAINTENANCE	637,044	799,044	637,044	143,200	780,244
		LAND FORCES READINESS SUPPORT	3,491,536	3,491,536	3,591,536	(18,000)	3,473,536
2020A	90	BASE SUPPORT	2,417,712	2,417,712	2,417,712		2,417,712
2020A	95	MAINTENANCE OF REAL PROPERTY	693,328	693,328	793,328		693,328
	95a	Barracks Renovation			[100,000]		-
2020A	100	MANAGEMENT AND OPERATIONAL HEADQUARTERS	130,012	130,012	130,012		130,012
2020A	105	UNIFIED COMMANDS	70,620	70,620	70,620	(18,000)	52,620
2020A	108	MISCELLANEOUS ACTIVITIES	179,864	179,864	179,864		179,864
		TOTAL, BUDGET ACTIVITY 1:	8,368,122	8,590,322	8,502,122	187,400	8,555,522
		BUDGET ACTIVITY 2: MOBILIZATION					
		MOBILITY OPERATIONS	566,444	566,444	566,444	-	566,444
2020A	110	POMCUS	-	-	-		-
2020A	120	STRATEGIC MOBILIZATION	317,241	317,241	317,241		317,241
2020A	130	WAR RESERVE ACTIVITIES	171,100	171,100	171,100		171,100
2020A	140	INDUSTRIAL PREPAREDNESS	78,103	78,103	78,103		78,103
		TOTAL, BUDGET ACTIVITY 2:	566,444	566,444	566,444	-	566,444

Title III - Operations and Maintenance
(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
		ACCESSION TRAINING	305,056	305,056	305,056	(1,400)	303,656
2020A	150	OFFICER ACQUISITION	63,992	63,992	63,992	(1,400)	62,592
2020A	160	RECRUIT TRAINING	12,620	12,620	12,620		12,620
2020A	170	ONE STATION UNIT TRAINING	14,723	14,723	14,723		14,723
2020A	180	RESERVE OFFICER TRAINING CORPS (ROTC)	113,128	113,128	113,128		113,128
2020A	190	BASE SUPPORT (ACADEMY ONLY)	72,470	72,470	72,470		72,470
2020A	195	MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	28,123	28,123	28,123		28,123
		BASIC SKILL/ ADVANCE TRAINING	2,203,708	2,217,708	2,217,708	11,000	2,214,708
2020A	200	SPECIALIZED SKILL TRAINING	217,202	217,202	217,202		217,202
2020A	210	FLIGHT TRAINING	213,906	227,906	227,906		224,906
	210a	Aviation Training		[14,000]	[14,000]	11,000	
2020A	220	PROFESSIONAL DEVELOPMENT EDUCATION	69,594	69,594	69,594		69,594
2020A	230	TRAINING SUPPORT	484,484	484,484	484,484		484,484
2020A	240	BASE SUPPORT (OTHER TRAINING)	897,433	897,433	897,433		897,433
2020A	245	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	321,089	321,089	321,089		321,089
		RECRUITING/OTHER TRAINING	710,934	717,934	710,934	7,000	717,934
2020A	250	RECRUITING AND ADVERTISING	222,718	229,718	222,718	7,000	229,718
2020A	260	EXAMINING	75,922	75,922	75,922		75,922
2020A	270	OFF-DUTY AND VOLUNTARY EDUCATION	94,364	94,364	94,364		94,364
2020A	280	CIVILIAN EDUCATION AND TRAINING	81,481	81,481	81,481		81,481
2020A	290	JUNIOR ROTC	73,439	73,439	73,439		73,439
2020A	300	BASE SUPPORT (RECRUITING LEASES)	163,010	163,010	163,010		163,010
		TOTAL, BUDGET ACTIVITY 3:	3,219,698	3,240,698	3,233,698	16,600	3,236,298
		BUDGET ACTIVITY 4					
		ADMIN & SERVICEWIDE ACTIVITIES					
		SECURITY PROGRAMS	366,085	366,085	367,885	-	366,085
2020A	310	SECURITY PROGRAMS	366,085	366,085	367,885		366,085
		LOGISTICS OPERATIONS	1,559,242	1,570,942	1,581,142	20,000	1,579,242
2020A	320	SERVICEWIDE TRANSPORTATION	531,326	531,326	531,326		531,326

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2020A	330	CENTRAL SUPPLY ACTIVITIES	405,371	405,371	405,371		405,371
2020A	340	LOGISTIC SUPPORT ACTIVITIES	253,138	253,138	275,038		253,138
	340a	Logistics Automation			[21,900]	20,000	20,000
2020A	350	AMMUNITION MANAGEMENT	369,407	381,107	369,407		369,407
		Ammunition Tracking Technology		[11,700]			-
		SERVICEWIDE SUPPORT	2,830,912	2,830,912	2,843,012	(48,600)	2,782,312
2020A	360	ADMINISTRATION	294,972	294,972	294,972	(48,600)	246,372
2020A	370	SERVICEWIDE COMMUNICATIONS	620,825	620,825	632,925		620,825
	370a	C2 Information Security			[8,100]		-
	370b	Force XXI Architecture			[4,000]		-
2020A	380	MANPOWER MANAGEMENT	152,437	152,437	152,437		152,437
2020A	390	OTHER PERSONNEL SUPPORT	155,307	155,307	155,307		155,307
2020A	400	OTHER SERVICE SUPPORT	593,446	593,446	593,446		593,446
2020A	410	ARMY CLAIMS ACTIVITIES	151,092	151,092	151,092		151,092
2020A	420	REAL ESTATE MANAGEMENT	63,526	63,526	63,526		63,526
2020A	430	BASE SUPPORT	667,779	667,779	667,779		667,779
2020A	431	MAINTENANCE OF REAL PROPERTY	131,528	131,528	131,528		131,528
2020A	432	CLOSED ACCOUNT	-	-	-		-
2020A	433	ENVIRONMENTAL RESTORATION	-	-	-		-
		SUPPORT OF OTHER NATIONS	304,981	304,981	289,981	(15,000)	289,981
2020A	440	INTERNATIONAL MILITARY HEADQUARTERS	270,413	270,413	255,413	(15,000)	255,413
2020A	450	MISC SUPPORT OF OTHER NATIONS	34,568	34,568	34,568		34,568
		TOTAL, BUDGET ACTIVITY 4:	5,061,220	5,072,920	5,082,020	(43,600)	5,017,620
		UNDISTRIBUTED		(285,350)	(190,000)	(201,295)	(201,295)
		MAINT OF REAL PROPERTY/BARRACKS RENOVATION/QOL		[50,000]	[40,000]	200,000	
		CIVILIAN UNDEREXECUTION		[-33,300]	[-131,000]	(96,400)	
		FOREIGN CURRENCY ADJUSTMENT			[-135,000]	(135,000)	
		SMART CARD			[36,000]		
		CLASSIFIED PROGRAM		[17,550]		(6,895)	
		BULK FUEL		[-8,600]			
		CONTRACT AND ADVISORY SERVICES		[-50,000]		(12,000)	

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		NON-BRAC CARETAKER FUNDS		[-51,000]		(40,000)	
		LIMITATION ON BA 4 PROGRAM GROWTH		[-210,000]			
		ECONOMIC ASSUMPTIONS				(41,000)	
		QDR CIVILIAN PERSONNEL REDUCTIONS				(70,000)	
		TOTAL, OPERATION AND MAINTENANCE, ARMY	17,215,484	17,185,034	17,194,284	(40,895)	17,174,589
		OPERATION AND MAINTENANCE, NAVY					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		AIR OPERATIONS	4,690,089	4,845,089	4,890,089	392,000	5,082,089
1804N	10	MISSION AND OTHER FLIGHT OPERATIONS	2,101,423	2,101,423	2,301,423	322,000	2,423,423
1804N	20	FLEET AIR TRAINING	667,112	667,112	667,112		667,112
1804N	30	INTERMEDIATE MAINTENANCE	58,087	58,087	58,087		58,087
1804N	40	AIR OPERATIONS AND SAFETY SUPPORT	73,248	73,248	73,248		73,248
1804N	50	AIRCRAFT DEPOT MAINTENANCE	716,300	871,300	716,300	70,000	786,300
1804N	60	AIRCRAFT DEPOT OPERATIONS SUPPORT	21,575	21,575	21,575		21,575
1804N	70	BASE SUPPORT	789,892	789,892	789,892		789,892
1804N	75	MAINTENANCE OF REAL PROPERTY	262,452	262,452	262,452		262,452
		SHIP OPERATIONS	7,290,682	7,415,682	7,290,682	60,000	7,350,682
1804N	80	MISSION AND OTHER SHIP OPERATIONS	2,130,636	2,130,636	2,130,636		2,130,636
1804N	90	SHIP OPERATIONAL SUPPORT AND TRAINING	735,660	735,660	735,660		735,660
1804N	100	INTERMEDIATE MAINTENANCE	511,125	511,125	511,125		511,125
1804N	110	SHIP DEPOT MAINTENANCE	2,040,690	2,165,690	2,040,690		2,100,690
	110a	Atlantic Fleet				30,000	
	110b	Pacific Fleet				30,000	
1804N	120	SHIP DEPOT OPERATIONS SUPPORT	786,021	786,021	786,021		786,021
1804N	130	BASE SUPPORT	840,646	840,646	840,646		840,646
1804N	135	MAINTENANCE OF REAL PROPERTY	245,904	245,904	245,904		245,904
		COMBAT OPERATIONS/SUPPORT	1,613,064	1,620,564	1,632,564	19,500	1,632,564
1804N	140	COMBAT COMMUNICATIONS	210,776	210,776	210,776		210,776
1804N	150	ELECTRONIC WARFARE	7,763	7,763	7,763		7,763

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1804N	160	SPACE SYSTEMS AND SURVEILLANCE	136,869	136,869	136,869		136,869
1804N	170	WARFARE TACTICS	125,892	125,892	125,892		125,892
1804N	180	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	209,188	216,688	228,688	12,000	228,688
	180a	Naval Oceanography Partnering Program	-	[7,500]	[7,500]	7,500	
1804N	190	COMBAT SUPPORT FORCES	383,830	383,830	383,830		383,830
1804N	200	EQUIPMENT MAINTENANCE	177,708	177,708	177,708		177,708
1804N	210	DEPOT OPERATIONS SUPPORT	908	908	908		908
1804N	220	BASE SUPPORT	317,266	317,266	317,266		317,266
1804N	225	MAINTENANCE OF REAL PROPERTY	42,864	42,864	42,864		42,864
		WEAPONS SUPPORT	1,458,733	1,458,733	1,458,733	6,000	1,464,733
1804N	230	CRUISE MISSILE	92,482	92,482	92,482		92,482
1804N	240	FLEET BALLISTIC MISSILE	811,451	811,451	811,451		811,451
1804N	250	IN-SERVICE WEAPONS SYSTEMS SUPPORT	54,927	54,927	54,927		54,927
1804N	260	WEAPONS MAINTENANCE	400,817	400,817	400,817		406,817
	260a	AN/SPS-48E Refurbishment				6,000	
1804N	270	BASE SUPPORT	71,540	71,540	71,540		71,540
1804N	275	MAINTENANCE OF REAL PROPERTY	27,516	27,516	27,516		27,516
		DBOF SUPPORT	-	-	-	-	-
1804N	276	DBOF SUPPORT	-	-	-		-
		TOTAL, BUDGET ACTIVITY 1:	15,052,568	15,340,068	15,272,068	477,500	15,530,068
		BUDGET ACTIVITY 2: MOBILIZATION					
		READY RESERVE AND PREPOSITIONING FORCES	455,030	455,030	455,030	-	455,030
1804N	280	SHIP PREPOSITIONING AND SURGE	455,030	455,030	455,030		455,030
		ACTIVATIONS/INACTIVATIONS	704,664	589,664	704,664	-	704,664
1804N	290	AIRCRAFT ACTIVATIONS/INACTIVATIONS	3,081	3,081	3,081		3,081
1804N	300	SHIP ACTIVATIONS/INACTIVATIONS	701,583	586,583	701,583		701,583
		MOBILIZATION PREPAREDNESS	67,373	67,373	67,373	-	67,373
1804N	310	FLEET HOSPITAL PROGRAM	19,814	19,814	19,814		19,814
1804N	320	INDUSTRIAL READINESS	29,196	29,196	29,196		29,196

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1804N	330	COAST GUARD SUPPORT	18,363	18,363	18,363		18,363
		TOTAL, BUDGET ACTIVITY 2:	1,227,067	1,112,067	1,227,067	-	1,227,067
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
		ACCESSION TRAINING	273,535	242,035	273,535	(1,400)	272,135
1804N	340	OFFICER ACQUISITION	69,274	69,274	69,274	(1,400)	67,874
1804N	350	RECRUIT TRAINING	4,646	4,646	4,646		4,646
1804N	360	RESERVE OFFICERS TRAINING CORPS (ROTC)	67,795	67,795	67,795		67,795
1804N	370	BASE SUPPORT	57,605	57,605	57,605		57,605
1804N	375	MAINTENANCE OF REAL PROPERTY	74,215	42,715	74,215		74,215
		BASIC SKILLS AND ADVANCED TRAINING	1,190,600	1,190,600	1,190,600	(25,500)	1,165,100
1804N	380	SPECIALIZED SKILL TRAINING	236,487	236,487	236,487	(10,000)	226,487
1804N	390	FLIGHT TRAINING	314,790	314,790	314,790		314,790
1804N	400	PROFESSIONAL DEVELOPMENT EDUCATION	69,044	69,044	69,044	(3,000)	66,044
1804N	410	TRAINING SUPPORT	135,051	135,051	135,051	(12,500)	122,551
1804N	420	BASE SUPPORT	339,627	339,627	339,627		339,627
1804N	425	MAINTENANCE OF REAL PROPERTY	95,601	95,601	95,601		95,601
		RECRUITING, AND OTHER TRAINING AND EDUCATION	245,296	252,296	245,296	3,000	248,296
1804N	430	RECRUITING AND ADVERTISING	122,454	129,454	122,454	3,000	125,454
1804N	440	OFF-DUTY AND VOLUNTARY EDUCATION	69,495	69,495	69,495		69,495
1804N	450	CIVILIAN EDUCATION AND TRAINING	29,198	29,198	29,198		29,198
1804N	460	JUNIOR ROTC	23,642	23,642	23,642		23,642
1804N	470	BASE SUPPORT	445	445	445		445
1804N	475	MAINTENANCE OF REAL PROPERTY	62	62	62		62
		TOTAL, BUDGET ACTIVITY 3:	1,709,431	1,684,931	1,709,431	(23,900)	1,685,531
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		SERVICEWIDE SUPPORT	1,538,055	1,538,055	1,549,355	(48,300)	1,489,755
1804N	480	ADMINISTRATION	574,305	574,305	574,305	(48,300)	526,005
1804N	490	EXTERNAL RELATIONS	24,141	24,141	24,141		24,141
1804N	500	CIVILIAN MANPOWER AND PERSON MANAGEMENT	118,544	118,544	118,544		118,544
1804N	510	MILITARY MANPOWER AND PERSON MANAGEMENT	124,403	124,403	124,403		124,403

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1804N	520	OTHER PERSONNEL SUPPORT	199,446	199,446	199,446		199,446
1804N	530	SERVICEWIDE COMMUNICATIONS	260,056	260,056	271,356		260,056
	530a	IT-21			[9,300]		-
	530b	NISE East C4ISR			[2,000]		-
1804N	540	BASE SUPPORT	197,537	197,537	197,537		197,537
1804N	542	MEDICAL ACTIVITIES		-	-		-
1804N	544	MAINTENANCE OF REAL PROPERTY	39,623	39,623	39,623		39,623
		LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	1,502,477	1,502,477	1,502,477	-	1,502,477
1804N	550	SERVICEWIDE TRANSPORTATION	149,675	149,675	149,675		149,675
1804N	560	PLANNING, ENGINEERING AND DESIGN	258,779	258,779	258,779		258,779
1804N	570	ACQUISITION AND PROGRAM MANAGEMENT	491,003	491,003	491,003		491,003
1804N	580	AIR SYSTEMS SUPPORT	271,149	271,149	271,149		271,149
1804N	590	HULL, MECHANICAL AND ELECTRICAL SUPPORT	46,904	46,904	46,904		46,904
1804N	600	COMBAT/WEAPONS SYSTEMS	41,547	41,547	41,547		41,547
1804N	610	SPACE AND ELECTRONIC WARFARE SYSTEMS	70,344	70,344	70,344		70,344
1804N	620	BASE SUPPORT	152,606	152,606	152,606		152,606
1804N	625	MAINTENANCE OF REAL PROPERTY	20,470	20,470	20,470		20,470
		SECURITY PROGRAMS	545,097	545,097	548,497	-	545,097
1804N	630	SECURITY PROGRAMS	536,691	536,691	540,091		536,691
1804N	640	BASE SUPPORT	6,886	6,886	6,886		6,886
1804N	645	MAINTENANCE OF REAL PROPERTY	1,520	1,520	1,520		1,520
		SUPPORT OF OTHER NATIONS	6,435	6,435	6,435	-	6,435
1804N	650	INTERNATIONAL HEADQUARTERS AND AGENCIES	6,435	6,435	6,435		6,435
		CANCELLED ACCOUNTS					-
		PROBLEM DISBURSEMENTS					-
		TOTAL, BUDGET ACTIVITY 4:	3,592,064	3,592,064	3,606,764	(48,300)	3,543,764
		UNDISTRIBUTED	-	(356,431)	(134,000)	(38,774)	(38,774)
		CIVILIAN UNDEREXECUTION		[-108,300]	[-113,000]	(16,600)	
		FOREIGN CURRENCY ADJUSTMENT			[-21,000]	(29,000)	

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		MAINTENANCE OF REAL PROPERTY		[50,000]		84,924	
		CLASSIFIED PROGRAMS		[17,369]		4,902	
		BULK FUEL		[-42,500]			
		CONTRACT AND AVISORY SERVICES		[-50,000]		(40,000)	
		AN/SPS-48E REFURBISHMENT		[6,000]			
		NAVY POW-MIA CENTER		[1,000]			
		LIMITATION ON BA 4 PROGRAM GROWTH		[-230,000]			
		ECONOMIC ASSUMPTIONS				(62,000)	
		QDR CIVILIAN PERSONNEL REDUCTIONS				(17,000)	
		SMART CARD				36,000	
		TOTAL, OPERATION AND MAINTENANCE, NAVY	21,581,130	21,372,699	21,681,330	366,526	21,947,656
		OPERATION AND MAINTENANCE, MARINE CORPS					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		EXPEDITIONARY FORCES	1,553,164	1,598,164	1,599,264	51,500	1,604,664
1106N	10	OPERATIONAL FORCES	345,077	365,077	365,777	25,000	378,077
	10a	Initial Issue		[20,000]	[20,700]	8,000	
1106N	20	FIELD LOGISTICS	183,660	183,660	183,660		183,660
1106N	30	DEPOT MAINTENANCE	121,339	146,339	121,339	12,000	133,339
1106N	40	BASE SUPPORT	639,495	639,495	664,895		653,995
	40a	Personnel Support Equiptment			[25,400]	14,500	
1106N	45	MAINTENANCE OF REAL PROPERTY	263,593	263,593	263,593		255,593
	45a	JCS Exercises & Headquarters Reduction				(8,000)	
		USMC PREPOSITIONING	80,983	80,983	80,983	-	80,983
1106N	50	MARITIME PREPOSITIONING	77,380	77,380	77,380		77,380
1106N	60	NORWAY PREPOSITIONING	3,603	3,603	3,603		3,603
		TOTAL, BUDGET ACTIVITY 1:	1,634,147	1,679,147	1,680,247	51,500	1,685,647
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
		ACCESSION TRAINING	78,761	78,761	78,761	-	78,761
1106N	70	RECRUIT TRAINING	9,098	9,098	9,098		9,098

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1106N	80	OFFICER ACQUISITION	282	282	282		282
1106N	90	BASE SUPPORT	51,266	51,266	51,266		51,266
1106N	95	MAINTENANCE OF REAL PROPERTY	18,115	18,115	18,115		18,115
		BASIC SKILLS AND ADVANCED TRAINING	192,963	192,963	192,963	-	192,963
1106N	100	SPECIALIZED SKILLS TRAINING	28,647	28,647	28,647		28,647
1106N	110	FLIGHT TRAINING	156	156	156		156
1106N	120	PROFESSIONAL DEVELOPMENT EDUCATION	5,803	5,803	5,803		5,803
1106N	130	TRAINING SUPPORT	78,749	78,749	78,749		78,749
1106N	140	BASE SUPPORT	54,557	54,557	54,557		54,557
1106N	145	MAINTENANCE OF REAL PROPERTY	25,051	25,051	25,051		25,051
		RECRUITING AND OTHER TRAINING EDUCATION	109,058	113,458	109,058	4,300	113,358
1106N	150	RECRUITING AND ADVERTISING	74,442	78,842	74,442	4,300	78,742
1106N	160	OFF-DUTY AND VOLUNTARY EDUCATION	15,063	15,063	15,063		15,063
1106N	170	JUNIOR ROTC	9,006	9,006	9,006		9,006
1106N	180	BASE SUPPORT	8,100	8,100	8,100		8,100
1106N	185	MAINTENANCE OF REAL PROPERTY	2,447	2,447	2,447		2,447
		TOTAL, BUDGET ACTIVITY 3:	380,782	385,182	380,782	4,300	385,082
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		SERVICEWIDE SUPPORT	290,416	290,416	290,416	-	290,416
1106N	190	LOGISTICS SUPPORT	-	-	-		-
1106N	200	SPECIAL SUPPORT	219,312	219,312	219,312		219,312
1106N	210	SERVICEWIDE TRANSPORTATION	30,617	30,617	30,617		30,617
1106N	220	ADMINISTRATION	26,105	26,105	26,105		26,105
1106N	230	BASE SUPPORT	12,370	12,370	12,370		12,370
1106N	235	MAINTENANCE OF REAL PROPERTY	2,012	2,012	2,012		2,012
		TOTAL, BUDGET ACTIVITY 4:	290,416	290,416	290,416	-	290,416
		UNDISTRIBUTED		26,500	28,000	63,500	63,500
		MAINTENANCE OF REAL PROPERTY/QOL		[25,000]	[30,000]	75,500	
		FOREIGN CURRENCY ADJUSTMENT			[-2,000]	(4,000)	
		CHEM-BIO RESPONSE FORCE		[4,500]			

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		CONTRACT AND AVISORY SERVICES		[-3,000]			
		QDR CIVILIAN PERSONNEL REDUCTIONS				(1,000)	
		ECONOMIC ASSUMPTIONS				(7,000)	
		TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	2,305,345	2,381,245	2,379,445	119,300	2,424,645
		OPERATION AND MAINTENANCE, AIR FORCE					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		AIR OPERATIONS	7,364,973	7,364,973	7,394,973	237,200	7,602,173
3400F	10	PRIMARY COMBAT FORCES	2,719,301	2,719,301	2,749,301	240,000	2,959,301
3400F	20	PRIMARY COMBAT WEAPONS	457,939	457,939	457,939		457,939
3400F	30	COMBAT ENHANCEMENT FORCES	253,099	253,099	253,099		253,099
3400F	40	AIR OPERATIONS TRAINING	617,828	617,828	617,828		617,828
3400F	50	COMBAT COMMUNICATIONS	981,936	981,936	981,936		981,936
3400F	60	BASE SUPPORT	1,758,461	1,758,461	1,758,461		1,773,661
	60a	Force Protection				15,200	
3400F	65	MAINTENANCE OF REAL PROPERTY	576,409	576,409	576,409		576,409
		JCS EXERCISE & HEADQUARTERS REDUCTION				(18,000)	(18,000)
		COMBAT RELATED OPERATIONS	1,440,090	1,440,090	1,440,090	-	1,440,090
3400F	70	GLOBAL C3I AND EARLY WARNING	712,916	712,916	712,916		712,916
3400F	80	NAVIGATION/WEATHER SUPPORT	131,608	131,608	131,608		131,608
3400F	90	OTHER COMBAT OPS SUPPORT PROGRAMS	205,449	205,449	205,449		205,449
3400F	100	JCS EXERCISES	45,306	45,306	45,306		45,306
3400F	110	MANAGEMENT/OPERATIONAL HEADQUARTERS	113,400	113,400	113,400		113,400
3400F	120	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	231,411	231,411	231,411		231,411
		SPACE OPERATIONS	1,169,575	1,169,575	1,169,575	-	1,169,575
3400F	130	LAUNCH FACILITIES	226,956	226,956	226,956		226,956
3400F	140	LAUNCH VEHICLES	103,576	103,576	103,576		103,576
3400F	150	SPACE CONTROL SYSTEMS	283,597	283,597	283,597		283,597
3400F	160	SATELLITE SYSTEMS	42,235	42,235	42,235		42,235
3400F	170	OTHER SPACE OPERATIONS	82,972	82,972	82,972		82,972

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
3400F	180	BASE SUPPORT	310,370	310,370	310,370		310,370
3400F	185	MAINT OF REAL PROPERTY	119,869	119,869	119,869		119,869
		TOTAL, BUDGET ACTIVITY 1:	9,974,638	9,974,638	10,004,638	237,200	10,211,838
		BUDGET ACTIVITY 2: MOBILIZATION					
		MOBILITY OPERATIONS	3,049,348	3,074,348	3,103,948	114,600	3,163,948
3400F	190	AIRLIFT OPERATIONS	1,793,506	1,818,506	1,848,106		1,908,106
	190a	KC 135 Depot Maintenance		[25,000]	[54,600]	54,600	
	190b	Flying Hours				60,000	
3400F	200	AIRLIFT OPERATIONS C3I	16,267	16,267	16,267		16,267
3400F	210	MOBILIZATION PREPAREDNESS	145,868	145,868	145,868		145,868
3400F	220	PAYMENTS TO TRANSPORTATION BUSINESS AREA	514,000	514,000	514,000		514,000
3400F	230	BASE SUPPORT	427,865	427,865	427,865		427,865
3400F	235	MAINTENANCE OF REAL PROPERTY	151,842	151,842	151,842		151,842
		TOTAL, BUDGET ACTIVITY 2:	3,049,348	3,074,348	3,103,948	114,600	3,163,948
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
		ACCESSION TRAINING	211,111	211,111	211,111	(1,400)	209,711
3400F	240	OFFICER ACQUISITION	51,605	51,605	51,605	(1,400)	50,205
3400F	250	RECRUIT TRAINING	3,971	3,971	3,971		3,971
3400F	260	RESERVE OFFICER TRAINING CORPS (ROTC)	47,611	47,611	47,611		47,611
3400F	270	BASE SUPPORT (ACADEMIES ONLY)	57,262	57,262	57,262		57,262
3400F	275	MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	50,662	50,662	50,662		50,662
		BASIC SKILLS AND ADVANCED TRAINING	1,200,541	1,180,541	1,200,541	(40,000)	1,160,541
3400F	280	SPECIALIZED SKILL TRAINING	196,980	196,980	196,980	(14,000)	182,980
3400F	290	FLIGHT TRAINING	394,075	394,075	394,075		394,075
3400F	300	PROFESSIONAL DEVELOPMENT EDUCATION	88,682	68,682	88,682	(13,000)	75,682
	300a	Graduate Education		[15,000]			-
3400F	310	TRAINING SUPPORT	63,296	63,296	63,296	(13,000)	50,296
3400F	320	BASE SUPPORT (OTHER TRAINING)	370,436	370,436	370,436		370,436
3400F	325	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	87,072	87,072	87,072		87,072
		RECRUITING, AND OTHER TRAINING AND EDUCATION	236,095	240,595	236,095	2,200	238,295

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
3400F	330	RECRUITING AND ADVERTISING	55,039	59,539	55,039	2,200	57,239
3400F	340	EXAMINING	2,212	2,212	2,212		2,212
3400F	350	OFF DUTY AND VOLUNTARY EDUCATION	85,609	85,609	85,609		85,609
3400F	360	CIVILIAN EDUCATION AND TRAINING	67,183	67,183	67,183		67,183
3400F	370	JUNIOR ROTC	26,052	26,052	26,052		26,052
		TOTAL, BUDGET ACTIVITY 3:	1,647,747	1,632,247	1,647,747	(39,200)	1,608,547
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		LOGISTICS OPERATIONS	2,363,385	2,363,385	2,363,385	-	2,363,385
3400F	380	LOGISTICS OPERATIONS	788,680	788,680	788,680		788,680
3400F	390	TECHNICAL SUPPORT ACTIVITIES	390,267	390,267	390,267		390,267
3400F	400	SERVICEWIDE TRANSPORTATION	236,372	236,372	236,372		236,372
3400F	410	BASE SUPPORT	753,449	753,449	753,449		753,449
3400F	415	MAINTENANCE OF REAL PROPERTY	194,617	194,617	194,617		194,617
		SERVICEWIDE ACTIVITIES	1,352,361	1,352,361	1,355,061	(52,700)	1,299,661
3400F	420	ADMINISTRATION	126,642	126,642	126,642	(52,700)	73,942
3400F	430	SERVICEWIDE COMMUNICATIONS	297,316	297,316	300,016		297,316
	430a	Base Information Protection	-		[2,700]		-
3400F	440	PERSONNEL PROGRAMS	100,343	100,343	100,343		100,343
3400F	450	RESCUE AND RECOVERY SERVICES	55,881	55,881	55,881		55,881
3400F	460	SUBSISTENCE-IN-KIND	-	-	-		-
3400F	470	ARMS CONTROL	29,565	29,565	29,565		29,565
3400F	480	OTHER SERVICEWIDE ACTIVITIES	524,545	524,545	524,545		524,545
3400F	490	OTHER PERSONNEL SUPPORT	33,623	33,623	33,623		33,623
3400F	500	CIVIL AIR PATROL CORPORATION	17,927	17,927	17,927		17,927
3400F	510	BASE SUPPORT	155,791	155,791	155,791		155,791
3400F	515	MAINTENANCE OF REAL PROPERTY	10,728	10,728	10,728		10,728
		SECURITY PROGRAMS	510,046	510,046	482,846	-	510,046
3400F	520	SECURITY PROGRAMS	510,046	510,046	482,846		510,046
		SUPPORT TO OTHER NATIONS	13,260	13,260	13,260	-	13,260

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
3400F	530	INTERNATIONAL SUPPORT	13,260	13,260	13,260		13,260
		TOTAL, BUDGET ACTIVITY 4:	4,239,052	4,239,052	4,214,552	(52,700)	4,186,352
		UNDISTRIBUTED	-	(174,300)	(109,200)	2,300	2,300
		FOREIGN CURRENCY ADJUSTMENT			[-53,000]	(67,000)	
		ENHANCED FORCE PROTECTION		[25,800]	[25,800]		
		CIVILIAN UNDEREXECUTION		[-70,000]	[-82,000]	(7,700)	
		MAINTENANCE OF REAL PROPERTY/QOL		[50,000]		195,000	
		CLASSIFIED PROGRAMS		[14,400]		4,000	
		BULK FUEL		[-44,500]			
		CONTRACT AND AVISORY SERVICES		[-50,000]		(40,000)	
		LIMITATION ON BA 4 PROGRAM GROWTH		[-100,000]			
		QDR - CIVILIAN PERSONNEL REDUCTIONS				(36,000)	
		ECONOMIC ASSUMPTIONS				(46,000)	
		TOTAL, O&M, AIR FORCE	18,910,785	18,745,985	18,861,685	262,200	19,172,985
		OPERATION AND MAINTENANCE, DEFENSE-WIDE					
		BUDGET ACTIVITY 1: OPERATING FORCES					
0100D	10	JOINT CHIEFS OF STAFF	541,169	566,169	493,169		491,169
	10a	JCS Exercises				(50,000)	
	10b	Mobility Enhancements		[25,000]			-
0100D	20	SPECIAL OPERATIONS COMMAND	1,085,927	1,115,227	1,124,727	38,800	1,124,727
	20a	Gortex-Nomex Flight Suits		[3,300]			-
	20b	OPTEMPO		[26,000]			-
		TOTAL, BUDGET ACTIVITY 1:	1,627,096	1,681,396	1,617,896	(11,200)	1,615,896
		BUDGET ACTIVITY 2: MOBILIZATION					
0100D	30	DEFENSE LOGISTICS AGENCY	27,260	27,260	27,260		27,260
		TOTAL, BUDGET ACTIVITY 2:	27,260	27,260	27,260	-	27,260
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
0100D	50	DEFENSE ACQUISITION UNIVERSITY	99,964	99,964	99,964		99,964

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0100D	55	AMERICAN FORCES INFORMATION SERVICE	11,586	11,586	11,586		11,586
0100D	60	DEFENSE HUMAN RESOURCES FIELD ACTIVITY	14,200	14,200	14,200		14,200
0100D	65	DEFENSE SPECIAL WEAPONS AGENCY	475	475	475		475
0100D	70	SPECIAL OPERATIONS COMMAND	37,930	32,930	37,930		37,930
	70a	Limitation on BA 3 Program Growth		[-5,000]			-
		TOTAL, BUDGET ACTIVITY 3:	164,155	159,155	164,155	-	164,155
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
0100D	75	AMERICAN FORCES INFORMATION SERVICE	94,956	94,956	94,956		94,956
0100D	80	CLASSIFIED AND INTELLIGENCE	3,490,397	3,410,211	3,487,397	(36,731)	3,453,666
0100D	85	CORPORATE INFORMATION MANAGEMENT	-	-	-		-
0100D	90	DEFENSE CONTRACT AUDIT AGENCY	329,264	329,264	329,264		329,264
0100D	95	DEFENSE FINANCE AND ACCOUNTING SERVICE	91,654	46,654	91,654		91,654
	95a	Renovation of DFAS Facility					-
0100D	100	DEFENSE HUMAN RESOURCES FIELD ACTIVITY	124,735	124,735	124,735		124,735
0100D	105	DEFENSE INFORMATION SYSTEMS AGENCY	725,858	716,913	725,858	(7,200)	718,658
0100D	110	DEFENSE INVESTIGATIVE SERVICE	186,661	186,661	186,661		186,661
0100D	115	DEFENSE LEGAL SERVICES AGENCY	8,839	8,839	8,839		8,839
0100D	120	DEFENSE LOGISTICS AGENCY	1,086,443	1,111,443	1,062,443		1,108,443
	120a	Automatic Document Conversion Technology				10,000	
	120b	PTAC/ECRC Realignment				12,000	
	120c	Civilian Underexecution (DLA)			[24,000]		-
0100D	125	DEFENSE MAPPING AGENCY	-	-	-		-
0100D	130	DEFENSE POW/MIA OFFICE	14,195	14,195	14,195		14,195
0100D	135	DEFENSE SPECIAL WEAPONS AGENCY	87,837	87,837	87,837		87,837
0100D	140	DEFENSE SUPPORT ACTIVITIES	69,270	69,270	69,270		69,270
0100D	145	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	10,545	10,545	10,545		10,545
0100D	150	DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,321,196	1,321,196	1,321,196		1,321,196
0100D	155	FEDERAL ENERGY MANAGEMENT PROGRAM	-	-	-		-
0100D	160	JOINT CHIEFS OF STAFF	128,561	73,561	113,661	(11,000)	117,561
0100D	165	OFFICE OF ECONOMIC ADJUSTMENT	40,217	40,217	40,217		40,217
0100D	170	OFFICE OF THE SECRETARY OF DEFENSE	406,894	341,794	406,894		425,194
	170a	National Guard - ChalleNGe				30,000	
	170c	Youth Opportunities - Youth Conservation Corps				(1,700)	

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	170d	Reserve Component Support to CINCs				(2,000)	
	170e	Innovative Readiness Training				(8,000)	
0100D	175	OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	-	-	-		-
0100D	180	ON SITE INSPECTION AGENCY	109,226	98,026	99,226	(11,200)	98,026
0100D	185	SPECIAL OPERATIONS COMMAND	45,532	42,832	45,532		45,532
0100D	190	WASHINGTON HEADQUARTERS SERVICE	213,147	169,547	213,147	(3,000)	210,147
		TOTAL, BUDGET ACTIVITY 4:	8,585,427	8,298,696	8,533,527	(28,831)	8,556,596
		UNDISTRIBUTED		(136,450)	(82,000)	(121,300)	(121,300)
		CANADIAN CLEANUP			[-10,000]	(10,000)	
		FOREIGN CURRENCY ADJUSTMENT			[-10,000]	(16,000)	
		REDUCTION FOR CTR			[-20,000]		
		CIVILIAN UNDEREXECUTION		[-33,900]	[-42,000]	(42,000)	
		TRAVEL		[-5,000]			
		CONTRACT AND AVISORY SERVICES		[-50,000]		(20,000)	
		DEFENSE AUTOMATED PRINITED SERVICE		[-15,000]		(8,000)	
		FOREIGN STUDENTS AT SERVICE ACADEMIES		[-4,200]			
		QUADRENNIAL DEFENSE REVIEW SAVINGS		[-168,350]			
		CIVILIAN BUYOUT PROGRAM		[100,000]			
		CENTER FOR THE STUDY OF THE CHINESE MILITARY		[5,000]			
		EDUCATION IMPACT AID		[35,000]		35,000	
		QDR - 6% REDUCTION				(37,000)	
		ECONOMIC ASSUMPTIONS				(29,000)	
		C4I INTEGRATION PLAN				5,700	
		TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	10,403,938	10,030,057	10,260,838	(161,331)	10,242,607
		OPERATION AND MAINTENANCE, ARMY RESERVE					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		MISSION OPERATIONS	1,056,894	1,061,894	1,076,894	15,000	1,071,894
2080A	10	BASE SUPPORT	309,446	309,446	309,446		309,446
2080A	15	MAINTENANCE OF REAL PROPERTY	85,255	85,255	85,255	5,000	90,255
2080A	20	DEPOT MAINTENANCE	41,366	46,366	41,366		41,366

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
2080A	30	RECRUITING AND ADVERTISING		-	-		-
2080A	40	TRAINING OPERATIONS	620,827	620,827	640,827	10,000	630,827
		TOTAL, BUDGET ACTIVITY 1:	1,056,894	1,061,894	1,076,894	15,000	1,071,894
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	135,997	135,997	135,997	-	135,997
2080A	50	INFORMATION MANAGEMENT	20,033	20,033	20,033		20,033
2080A	60	PUBLIC AFFAIRS	489	489	489		489
2080A	70	PERSONNEL ADMINISTRATION	50,196	50,196	50,196		50,196
2080A	80	STAFF MANAGEMENT	27,405	27,405	27,405		27,405
2080A	90	RECRUITING AND ADVERTISING	37,874	37,874	37,874		37,874
		TOTAL, BUDGET ACTIVITY 4:	135,997	135,997	135,997	-	135,997
		UNDISTRIBUTED					
		MAINTENANCE OF REAL PROPERTY		5,000			-
		TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,192,891	1,202,891	1,212,891	15,000	1,207,891
		OPERATION AND MAINTENANCE, NAVY RESERVE					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		RESERVE AIR OPERATIONS	505,776	515,776	505,776	7,000	512,776
1806N	10	MISSION AND OTHER FLIGHT OPERATIONS	302,531	302,531	302,531		302,531
1806N	20	FLEET AIR TRAINING	200	200	200		200
1806N	30	INTERMEDIATE MAINTENANCE	17,528	17,528	17,528		17,528
1806N	40	AIR OPERATION AND SAFETY SUPPORT	3,074	3,074	3,074		3,074
1806N	50	AIRCRAFT DEPOT MAINTENANCE	58,053	68,053	58,053	7,000	65,053
1806N	60	AIRCRAFT DEPOT OPS SUPPORT	315	315	315		315
1806N	70	BASE SUPPORT	99,563	99,563	99,563		99,563
1806N	75	MAINTENANCE OF REAL PROPERTY	24,512	24,512	24,512		24,512
		RESERVE SHIP OPERATIONS	140,284	140,284	140,284	-	140,284
1806N	80	MISSION AND OTHER SHIP OPERATIONS	59,509	59,509	59,509		59,509
1806N	90	SHIP OPERATIONAL SUPPORT AND TRAINING	638	638	638		638

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
1806N	100	INTERMEDIATE MAINTENANCE	10,326	10,326	10,326		10,326
1806N	110	SHIP DEPOT MAINTENANCE	68,324	68,324	68,324		68,324
1806N	120	SHIP DEPOT OPERATIONS SUPPORT	1,487	1,487	1,487		1,487
		RESERVE COMBAT OPERATIONS SUPPORT	73,355	73,355	73,355	-	73,355
1806N	130	COMBAT COMMUNICATIONS	-	-	-		-
1806N	140	COMBAT SUPPORT FORCES	25,632	25,632	25,632		25,632
1806N	150	BASE SUPPORT	38,503	38,503	38,503		38,503
1806N	155	MAINTENANCE OF REAL PROPERTY	9,220	9,220	9,220		9,220
		RESERVE WEAPONS SUPPORT	4,136	4,136	4,136	-	4,136
1806N	160	WEAPONS MAINTENANCE	4,136	4,136	4,136		4,136
		TOTAL, BUDGET ACTIVITY 1:	723,551	733,551	723,551	7,000	730,551
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	108,455	108,455	108,455	-	108,455
1806N	170	ADMINISTRATION	6,209	6,209	6,209		6,209
1806N	180	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	2,012	2,012	2,012		2,012
1806N	190	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	32,102	32,102	32,102		32,102
1806N	200	OTHER PERSONNEL SUPPORT	-	-	-		-
1806N	210	SERVICEWIDE COMMUNICATIONS	33,155	33,155	33,155		33,155
1806N	220	BASE SUPPORT	26,692	26,692	26,692		26,692
1806N	225	MAINTENANCE OF REAL PROPERTY	5,051	5,051	5,051		5,051
1806N	230	COMBAT/WEAPONS SYSTEMS	2,723	2,723	2,723		2,723
1806N	240	GENERAL DEFENSE INTELLIGENCE PROGRAM	511	511	511		511
		LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	2,705	2,705	2,705		2,705
		PROBLEM DISBURSEMENTS		-	-		
		TOTAL, BUDGET ACTIVITY 4:	111,160	111,160	111,160	-	111,160
		UNDISTRIBUTED				5,000	5,000
		MAINTENANCE OF REAL PROPERTY		5,000		5,000	
		TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	834,711	849,711	834,711	12,000	846,711

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		OPERATION AND MAINTENANCE, MARINE CORPS RESERVE					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		MISSION FORCES	70,495	70,495	70,495	6,000	76,495
1107N	10	TRAINING	14,559	14,559	14,559	3,000	17,559
1107N	20	OPERATING FORCES	30,174	30,174	30,174	3,000	33,174
1107N	30	BASE SUPPORT	16,309	16,309	16,309		16,309
1107N	35	MAINTENANCE OF REAL PROPERTY	6,898	6,898	6,898		6,898
1107N	40	DEPOT MAINTENANCE	2,555	2,555	2,555		2,555
		TOTAL, BUDGET ACTIVITY 1:	70,495	70,495	70,495	6,000	76,495
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	39,871	39,871	39,871	-	39,871
1107N	50	RECRUITING AND ADVERTISING	7,726	7,726	7,726		7,726
1107N	60	SPECIAL SUPPORT	11,199	11,199	11,199		11,199
1107N	70	SERVICEWIDE TRANSPORTATION	5,161	5,161	5,161		5,161
1107N	80	ADMINISTRATION	7,039	7,039	7,039		7,039
1107N	90	BASE SUPPORT	8,746	8,746	8,746		8,746
1107N	100	MAINTENANCE OF REAL PROPERTY		-	-		-
		PROBLEM DISBURSEMENTS		-	-		-
		TOTAL, BUDGET ACTIVITY 4:	39,871	39,871	39,871	-	39,871
		TOTAL, O&M, MARINE CORPS RESERVE	110,366	110,366	110,366	6,000	116,366
		OPERATION AND MAINTENANCE, AIR FORCE RESERVE					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		AIR OPERATIONS	1,543,978	1,548,978	1,550,758	6,780	1,550,758
3740F	10	AIRCRAFT OPERATIONS	1,227,609	1,227,609	1,234,389		1,234,389
	10a	C-130 SQDS			[6,700]	6,780	
3740F	20	MISSION SUPPORT OPERATIONS	39,482	39,482	39,482		39,482

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APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
3740F	30	BASE SUPPORT	216,573	216,573	216,573		216,573
3740F	35	MAINTENANCE OF REAL PROPERTY	60,314	65,314	60,314		60,314
3740F	37	DEPOT MAINTENANCE	-	-	-		-
		TOTAL, BUDGET ACTIVITY 1:	1,543,978	1,548,978	1,550,758	6,780	1,550,758
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	80,442	80,442	80,442	-	80,442
3740F	40	ADMINISTRATION	46,363	46,363	46,363		46,363
3740F	50	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	19,262	19,262	19,262		19,262
3740F	60	RECRUITING AND ADVERTISING	7,966	7,966	7,966		7,966
3740F	70	OTHER PERSONNEL SUPPORT	6,310	6,310	6,310		6,310
3740F	80	AUDIOVISUAL	541	541	541		541
		TOTAL, BUDGET ACTIVITY 4:	80,442	80,442	80,442	-	80,442
		UNDISTRIBUTED	-	(300)	-	-	-
		CONSULTANTS		[-300]			-
		TOTAL, O&M, AIR FORCE RESERVE	1,624,420	1,629,120	1,631,200	6,780	1,631,200
		OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		MISSION OPERATIONS	2,086,093	2,101,093	2,116,093	60,000	2,146,093
2065A	10	TRAINING OPERATIONS	1,704,250	1,704,250	1,734,250	20,000	1,724,250
2065A	20	RECRUITING AND RETENTION	-	-	-		-
2065A	30	MEDICAL SUPPORT	26,701	26,701	26,701		26,701
2065A	40	DEPOT MAINTENANCE	53,824	58,824	53,824	5,000	58,824
2065A	50	BASE SUPPORT	250,700	250,700	250,700		250,700
2065A	55	MAINTENANCE OF REAL PROPERTY	50,618	60,618	50,618	35,000	85,618
		TOTAL, BUDGET ACTIVITY 1:	2,086,093	2,101,093	2,116,093	60,000	2,146,093
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	172,839	172,839	172,839	-	172,839
2065A	60	INFORMATION MANAGEMENT	32,376	32,376	32,376		32,376

Title III - Operations and Maintenance
(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
2065A	70	PUBLIC AFFAIRS	-	-	-		-
2065A	80	PERSONNEL ADMINISTRATION	62,082	62,082	62,082		62,082
2065A	90	STAFF MANAGEMENT	45,190	45,190	45,190		45,190
2065A	95	RECRUITING AND ADVERTISING	33,191	33,191	33,191		33,191
		TOTAL, BUDGET ACTIVITY 4:	172,839	172,839	172,839	-	172,839
		UNDISTRIBUTED					
		CHALLENGE PROGRAM				(7,500)	(7,500)
				(7,500)		(7,500)	(7,500)
		TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD	2,258,932	2,266,432	2,288,932	52,500	2,311,432
		OPERATION AND MAINTENANCE, AIR NATIONAL GUARD					
		BUDGET ACTIVITY 1: OPERATING FORCES					
		AIR OPERATIONS	2,981,947	2,984,947	2,995,010	16,063	2,998,010
3840F	10	AIRCRAFT OPERATIONS	2,243,510	2,243,510	2,256,573		2,256,573
	10a	C-130 SQDs			[13,063]	13,063	
3840F	20	MISSION SUPPORT OPERATIONS	334,314	334,314	334,314		334,314
3840F	30	BASE SUPPORT	296,196	296,196	296,196		296,196
3840F	35	MAINTENANCE OF REAL PROPERTY	77,879	77,879	77,879		77,879
3840F	40	DEPOT MAINTENANCE	30,048	33,048	30,048	3,000	33,048
		TOTAL, BUDGET ACTIVITY 1:	2,981,947	2,984,947	2,995,010	16,063	2,998,010
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
		SERVICEWIDE ACTIVITIES	9,272	9,272	9,272	-	9,272
3840F	50	ADMINISTRATION	3,073	3,073	3,073		3,073
3840F	60	RECRUITING AND ADVERTISING	6,199	6,199	6,199		6,199
		TOTAL, BUDGET ACTIVITY 4:	9,272	9,272	9,272	-	9,272
		UNDISTRIBUTED		(8,250)	-	(7,500)	(7,500)
		CHALLENGE PROGRAM		[-7,500]		(7,500)	(7,500)
		CONSULTANTS		[-750]			-
		TOTAL, O&M, AIR NATIONAL GUARD	2,991,219	2,985,969	3,004,282	8,563	2,999,782

Title III - Operations and Maintenance
(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Budget Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		MISCELLANEOUS					
0107D	10	INSPECTOR GENERAL	136,580	136,580	136,580		136,580
0104D	10	COURT OF MILITARY APPEALS	6,952	6,952	6,952		6,952
0116D	10	SUMMER OLYMPICS		-	-		-
0838D	10	INTERNATIONAL SPORTING EVENTS		-	-		-
0810A	10	ENVIRONMENTAL RESTORATION, ARMY	377,337	377,337	350,337	(2,000)	375,337
0810N	10	ENVIRONMENTAL RESTORATION, NAVY	277,500	277,500	257,500	(2,000)	275,500
0810F	10	ENVIRONMENTAL RESTORATION, AIR FORCE	378,900	378,900	351,900	(2,000)	376,900
0810D	10	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	27,900	27,900	25,900	(1,000)	26,900
0811D	10	ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	202,300	202,300	188,300		202,300
0819D	10	OVERSEAS HUMANITARIAN DEMINING AND CINC INITIATIVES	80,130	50,000	40,130	(33,000)	47,130
0105D	10	DRUG INTERDICTION	652,582	661,671	660,882	14,300	666,882
1236N	10	PAYMENT TO KAHO'OLAWE ISLAND	10,000	10,000	10,000		10,000
0130D	10	DEFENSE HEALTH PROGRAM	9,766,582	9,975,382	9,954,782		9,957,782
		Underfunding		[274,000]	[274,000]	274,000	
		Health Scholarship Tax Liability		[-70,800]	[-70,800]	(70,800)	
		Foreign Currency Fluctuation			[-15,000]	(3,000)	
		Economic Adjustments				(20,000)	
		Overseas Dental Benefits		[3,000]		3,000	
		Consistent CHAMPUS-MEDICARE Rates		[4,000]		4,000	
		Navy POW-MIA Center				1,000	
		Waiver of Remote Area Tricare Cost Share				3,000	
0134D	10	FORMER SOVIET UNION THREAT REDUCTION	382,200	284,700	382,200		382,200
0118D	10	OVERSEAS CONTINGENCIES	1,467,500	1,467,500	1,467,500	(213,600)	1,253,900
0840D	10	OPPLAN 34A-35		-	-		-
0837D	10	WEAPONS OF MASS DESTRUCTION		-	-		-
		TOTAL, O&M, MISCELLANEOUS	13,766,463	13,856,722	13,832,963	(48,100)	13,718,363
		TOTAL OPERATION AND MAINTENANCE TITLE	93,195,684	92,616,231	93,292,927	598,543	93,794,227

ITEMS OF SPECIAL INTEREST

Arms control implementation

The budget request included $315.1 million for arms control implementation programs in the military services and the Department of Defense. This request is based on anticipated dates of implementation of the various arms control treaties.

The House bill would authorize a decrease of $25.5 million, which would result in an $11.2 million reduction to the On Site Inspection Agency (OSIA) operations and maintenance account and a $14.3 million reduction to the Defense Special Weapons Agency (DSWA) verification demonstration technology program (PE 63711H). These reductions were due to slippage in the entry into force of the Open Skies Treaty, the Strategic Arms Reduction Treaty II, the Comprehensive Test Ban Treaty (CTBT), and non-implementation of the Bilateral Destruction Agreement (BDA).

The Senate amendment would authorize a decrease of $20.0 million, which would result in a $10.0 million reduction to the OSIA operations and maintenance account and a $10.0 million reduction to the DSWA verification demonstration technology program.

The conferees agree to authorize a decrease of $25.5 million to the budget request for arms control implementation for fiscal year 1998, as follows: $11.2 million for the OSIA operations and maintenance account; and $14.3 million for the DSWA verification technology demonstration program (PE 63711H).

The conferees direct the Department of Defense to provide the congressional defense committees with a program plan for the nuclear control technology research program (PE 63711H) in support of the CTBT, and include the estimated costs. The Department should also include in the report its assessment of recommendations by the National Research Council on research deemed to be necessary to meet nuclear test monitoring goals, and how the nuclear arms control technology activity meets congressionally mandated objectives. The conferees are willing to provide adequate funding for programs that would enable the United States to independently monitor and detect nuclear test activities worldwide and fulfill its obligations under a comprehensive test ban, if and when that treaty enters into force, and do not wish the funding reduction to nuclear control technology activities (PE 63711H) to be misconstrued.

National Defense Sealift Fund (NDSF)

The budget request included $812.9 million in the National Defense Sealift Fund (NDSF) for sealift acquisition. Of this amount, $581.3 million would be for the procurement of two large medium speed roll-on/roll-off (LMSR) strategic sealift ships, $131.5 million for resolution of cost growth that has occurred on LMSRs authorized in prior years, $70.0 million for advance procurement of components for an LMSR that is planned for authorization in fiscal year 1999, and $30.1 million for completion of ships authorized in prior years.

The House bill would authorize a decrease of $9.8 million.

The Senate amendment would authorize a decrease of $651.3 million for procurement and for advance procurement of LMSRs. The Senate amendment would also authorize a decrease of $25.0 million because of contract savings in previously authorized and appropriated NDSF programs. In addition, the Senate amendment would authorize an increase of $1.0 million to provide support for a Department of Defense study of future requirements and specifications for maritime prepositioning force recapitalization.

The conferees agree to authorize $581.3 million for procurement of two LMSRs, $70.0 for advance procurement, and $30.1 million for completion of prior year ships. The conferees further agree to a decrease of $131.5 million which includes a decrease of $131.0 million for prior year cost growth, which the conferees believe can be deferred until fiscal year 1999; and a decrease of $0.5 million as a result of fiscal year 1997 contract savings.

National imagery and mapping agency

The budget request included $680.3 million in Operations and Maintenance, Defensewide, for the Joint Military Intelligence Program portion of the National Imagery and Mapping Agency (NIMA).

The House bill would authorize the following: (1) a reduction of $30.0 million for production and customer support on the grounds that migration to the Digital Processing System should have resulted in significant reductions in operations and maintenance costs; (2) a reduction of $10.0 million for mission support in anticipation of significant cost reductions as a result of various mission and organization consolidations; (3) a reduction of $15.0 million to accelerate the downsizing of NIMA's personnel consistent with the Digital Processing System phase-out; and (4) a reduction of $23.2 million for continued research and development efforts for an interferometric synthetic aperture radar (IFSAR) mission on board the Space Shuttle to collect Digital Terrain Elevation Data (DTED) level 2 information for mapping because of a belief that other, more cost-effective, commercial alternatives to the IFSAR mission exist.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the following reductions, as reflected in the Classified and Intelligence line within Operations and Maintenance, Defensewide: $35.0 million in production; $11.0 million in mission support; $15.0 million in management and customer support; and $3.2 million for the Shuttle IFSAR mission, with the remaining funding to be used to fund commercial alternatives to the shuttle DTED mapping mission if the NIMA Director determines that such alternatives are cost- and mission-effective, or to continue preparation for the shuttle mission. The conferees also agree to authorize the budget request for NIMA civilian personnel. The conferees direct the Director of NIMA to submit the personnel plan specified in the House report (H. Rept. 105–132).

Travel re-engineering

The House report (H. Rept. 105–132), which raised concerns over the compliance by the Department of Defense with section 356 of the National Defense Authorization Act for Fiscal Year 1996, would direct the Secretary of Defense to comply with the reporting requirement in that section, and would prohibit the Department from processing a Request for Proposal. The conferees are aware that Secretary of Defense has now complied with the reporting requirement, and note that the Request for Proposal has been released.

The House report also expressed concern about the impact of any new system on small and medium-sized travel agencies and the possible restriction of fair competition in the travel industry. The challenge facing the Department is to automate a largely unautomated and expensive travel system. The conferees expect the Secretary of Defense to ensure that this effort to automate the system will be interoperable with existing commercial systems to ensure that small and medium-sized travel agencies continue to have an equal opportunity to compete to provide actual travel services, and will incorporate the best business practices of the commercial travel industry. According to the schedule provided by the Department of Defense, system testing in Region 6 will occur during the second quarter of fiscal year 1998.

The conferees direct the Secretary of Defense to report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives, not later than May 1, 1998, the lessons learned as a result of establishing the Defense Travel System in Region 6. This report shall include, at a minimum: industry response to the Request for Proposal; the performance measures that were used to evaluate the system testing; the cost of the Region 6 program, including infrastructure development, software development, hardware acquisition, and administration; the quantitative and qualitative benefits of the program; the plan for integrating the Defense Travel System in other regions; any differences between the Region 6 contract and those anticipated for subsequent expansion to other regions; and the evaluation plan for full implementation.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Fisher House trust funds (sec. 304)

The House bill contained a provision (sec. 1006) that would provide permanent authorization for the expenditure of funds from the Fisher House trust fund.

The Senate amendment contained a provision (sec. 305) that would authorize $150,000 to be appropriated from the Fisher House Trust Fund, Department of the Army, and $150,000 to be appropriated from the Fisher House Trust Fund, Department of the Navy. No funds were authorized to be appropriated from the Fisher House Trust Fund, Department of the Air Force.

The House recedes with an amendment that would increase the amount authorized to be appropriated from the Army Fisher House Trust Fund to $250,000.

Refurbishment of M1A1 Tanks (sec. 306)

The House bill contained a provision (sec. 306) that would authorize $35.0 million for the refurbishment of M1A1 tanks at the Anniston Army Depot under the Department of the Army's Abrams Integrated Management XXI (AIM XXI) program if the Secretary of Defense determines that the program is cost effective.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would not require this work to be performed at the Anniston Army Depot.

Operation of prepositioned fleet, National Training Center, Fort Irwin, California (sec. 307)

The House bill contained a provision (sec. 313) that would provide funding associated with the operation of the preposition fleet of equipment used by Army units during training rotations at the National Training Center (NTC).

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees are concerned with the Department of the Army's decision to change the way unit rotations to the NTC are funded. Currently, the Army provides funding to the National Training Center from a central account to defray the costs associated with units' use of pre-positioned equipment at the NTC. Under a new Army proposal, starting in fiscal year 1998, units scheduled to go to the NTC would have to pay for the use of the prepositioned equipment out of the funds provided for home station training. The conferees believe that this would have a detrimental impact upon unit readiness as home station training, and thus total training, was reduced.

Refurbishment and installation of air search radar (sec. 308)

The House bill contained a provision (sec. 305) that would authorize $6.0 million for the refurbishment and installation of the AN/SPS-48E air search radar for the Ship Self-Defense Systems at the Integrated Ship Defense Systems Engineering Center, Walllops Island, Virginia.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make the provision permissive.

Contracted training flight services (sec. 309)

The Senate amendment contained a provision (sec. 371) that would authorize $12.0 million for contracted training flight services.

The House bill contained no similar provision.

The House recedes.

Procurement technical assistance programs (sec. 310)

The House bill contained a provision (sec. 307) that would authorize $15.0 million for a consolidated Procurement Technical Assistance Center (PTAC) and the Electronic Commerce Resource Center (ECRC) programs.

The Senate amendment contained a provision (sec. 821) that would authorize $12.0 million for the PTAC program.

The House recedes.

Operation of Fort Chaffee, Arkansas (sec. 311)

The Senate amendment contained a provision (sec. 306) that would authorize $6.854 million for the operation of Fort Chaffee, Arkansas.

The House bill contained no similar provision.

The House recedes.

Subtitle B—Military Readiness Issues

Monthly reports on allocation of funds within operation and maintenance budget subactivities (sec. 321)

The House bill contained a provision (sec. 312) that would require the Secretary of Defense to notify and receive approval from the congressional defense committees prior to the reallocation of operation and maintenance funds above a certain threshold.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Department of Defense to provide a monthly report to Congress outlining the reallocation of funds within the operation and maintenance accounts and the effect of this reallocation on the ability of the Department to perform the functions for which the funds were originally appropriated.

Expansion of scope of quarterly readiness reports (sec. 322)

The House bill contained a provision (sec. 311) that would expand the Quarterly Readiness Report required by section 361 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) to include data and analysis on additional readiness indicators, which would provide a more comprehensive readiness assessment.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include additional factors to be included in these reports such as personnel skills and pre-positioned equipment.

Semiannual reports on transfers from high-priority readiness appropriations (sec. 323)

The House bill contained a provision (sec. 315) that would extend through November 1, 2000, the requirement for the Secretary of Defense to report semi-annually on transfers from high-priority readiness accounts, in compliance with section 362 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106). This provision would also expand the number of readiness accounts to be considered in the report.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make it a semiannual report.

Annual report on aircraft inventory (sec. 324)

The Senate amendment contained a provision (sec. 1037) that would require the Undersecretary of Defense (Comptroller) to submit with the budget request an annual report to the Congress on the aircraft in the inventory of the Department of Defense. The provision would also require the modification of budget data exhibits to display total numbers of aircraft where numbers of primary aircraft or primary authorized aircraft are displayed in exhibits.

The House bill contained no similar provision.

The House recedes.

Administrative actions adversely affecting military training or other readiness activities (sec. 325)

The Senate amendment contained a provision (sec. 363) that would require the Secretary of Defense to provide the President, the Committee on Armed Services of the Senate, the National Security Committee of the House of Representatives, and the head of any relevant Federal agency with written notification of any Federal administrative action that has or would have a significant adverse effect on the military readiness of any of the armed forces or a critical component of the armed forces, such as a Marine battalion preparing for deployment as part of a Marine Expeditionary Unit, or Special Operations Forces dedicated to a specific mission. Notification would be provided as soon as the Secretary becomes aware of an adverse administrative action or proposed administrative action. The notification would delay the implementation of the action for a period of 30 days unless the Secretary determines that the compliance with the proposed action is in the best interest of the American public, or the President directs the Secretary to comply based on a determination that the implementation of the action is more important than the effects on military readiness.

The House bill contained no similar provision.

The House recedes.

Common measurement of operations and personnel tempo (sec. 326)

The Senate amendment contained a provision (sec. 1032) that would require the Chairman of the Joint Chiefs of Staff to develop, to the maximum extent practicable, a common measurement of operations tempo (OPTEMPO) and personnel tempo (PERSTEMPO).

The House bill contained no similar provision.

The House recedes.

Inclusion of Air Force depot maintenance as operation and maintenance budget activity group (sec. 327)

The House bill contained a provision (sec. 373) that would require the Secretary of the Air Force, beginning in fiscal year 1999, to identify funding for depot maintenance in a discreet subactivity group.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Prohibition of implementation of tiered readiness system (sec. 328)

The House bill contained a provision (sec. 314) that would prohibit the implementation of any tiered readiness system which would change military service-specific methods of determining priorities for allocating funding, personnel, equipment, equipment maintenance, and training resources to military units, and the associated level of readiness of those units that result from those priorities, from the system that existed on October 1, 1996, until the Secretary of Defense provides Congress with a report recommending a new tiered readiness system along with legislative proposals and these proposals are enacted by the Congress.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the implementation of a new tiered or cyclical readiness system based on the results of the reviews as required by section 329 and section 330 of this Act, or any other review. The amendment would clarify that the prohibition does not preclude the Secretary of Defense from taking necessary action to maintain the combat preparedness of the active and reserve components of the United States Armed Forces.

The conferees note that this provision does not block the ability of the Department of Defense to routinely adjust the manner in which it manages force readiness, particularly as it pertains to maintaining necessary combat capabilities. Rather, the provision precludes the adoption of a new tiered or cyclical readiness system, as outlined in section 329 and section 330 of this Act, pending subsequent congressional review and concurrence given the significant policy issues associated with such proposals. Accordingly, the provision allows for the Secretary of Defense, following the completion of the reviews required by sections 329 and 330 of this Act, or any other review the Secretary may deem appropriate, to submit, for Congressional consideration, a request for relief from this prohibition.

Report on military readiness requirements of the Armed Forces (sec. 329)

The Senate amendment contained a provision (sec. 1034) that would direct the Department to further explore the potential for tiered readiness. This provision would require the Chairman and the service chiefs, together with the Commander in Chief of the Special Operations Command and the commanders of the other unified commands, to prepare a second report that would examine the extent to which the readiness of the armed forces could be tiered. Rather than looking at a generic major regional conflict, this report would require an examination of the tiered readiness concept within the force structure advocated by the Quadrennial Defense Review, including the armed forces required to deter or defeat a strategic attack upon the United States. The report would include a rotational examination of the tiering of the armed forces that would focus on the brigade and battalion levels of the Army and Marine Corps Divisions, the squadron levels of the Air Force, Navy and Marine Corps Wings, and the Navy Fleets.

The House bill contained no similar provision.

The House recedes.

Assessment of cyclical readiness posture of the Armed Forces (sec. 330)

The Senate amendment contained a provision (sec. 1035) that would require the Secretary of Defense to report on the impact of moving to a cyclical readiness approach for major warfighting units. Under this approach, a high state of readiness alternates from one unit to another, as is already done with the blue and gold crews on ballistic missile submarines. The report should identify the savings and risks associated with cyclical readiness.

The House bill contained no similar provision.

The House recedes.

Report on military exercises conducted under certain training exercise programs (sec. 331)

The House bill contained a provision (sec. 316) that would require the Secretary of Defense to report by January 15, 1998, on both past and planned joint training exercises sponsored by the Chairman, Joint Chiefs of Staff (CJCS) Exercise Program and the Partnership for Peace (PFP) program. The report would include the type, description, duration, objectives, the percentage of service-unique training accomplished, and an assessment of the training value of each CJCS and PFP exercise.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include exercises funded through the Cooperative Threat Reduction Program. The conference agreement would also require the report to include an assessment of the value provided through enhanced military to military relationships between the participating nations, and the extent to which the training exercises enhanced the readiness capabilities of all forces involved in the exercise.

Report on overseas deployment (sec. 332)

The Senate amendment contained a provision (sec. 1033) that would require the Department of Defense to report on the number of personnel deployed overseas as of June 30, 1996 and June 30, 1997. The report would distinguish between personnel who are forward deployed as their permanent duty station and those deployed overseas for temporary duty, such as service-specific exercises, joint exercises, exercises with allies, and deployments for contingency operations.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Environmental Provisions

Revision of membership terms for Strategic Environmental Research and Development Program Scientific Advisory Board (sec. 341)

The House bill contained a provision (sec. 341) that would amend section 2904(b)(4) of title 10, United States Code, to provide that appointments to the Strategic Environmental Research and Development Program (SERDP) Scientific Advisory Board be for not less than two years and not more than four years. The Department of Defense recommended this provision to give the SERDP director the flexibility to fill unexpected vacancies on the Board.

The Senate amendment contained a similar provision.

The Senate recedes.

Amendment to authority to enter into agreements with other agencies in support of environmental technology certification (sec. 342)

The House bill contained a provision (sec. 342) that would expand the authority of the Secretary of Defense under section 327 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201). Section 327 authorizes the Secretary to initiate a program to provide for cooperative agreements with state and local governmental agencies in support of multi-state and regional certification of environmental cleanup technologies. The House provision would specifically authorize the Secretary to enter into agreements with Indian tribes and would broaden the range of technologies subject to evaluation for certification.

The Senate amendment contained a provision (sec. 335) that would require the Department to prepare guidelines for cost-sharing related to the cooperative agreements authorized under section 327.

The Senate recedes with an amendment that would expand the scope of the program as proposed in the House bill, but require the Department of Defense to prepare guidelines and meet expanded reporting requirements. The new authority would become effective 30 days after the date of submission of the guidelines required by the provision.

Modifications of authority to store and dispose of non-defense toxic and hazardous materials (sec. 343)

The House bill contained a provision (sec. 344) that would amend section 2692 of title 10, United States Code, to clarify exemptions from the prohibition against Department of Defense (DOD) storage or disposal of toxic or hazardous material that is not owned by the Department. The administration recommended this provision to ensure that the Department has appropriate authority to control munitions stored or disposed of in connection with the following DOD activities: (1) storage of explosive and hazardous materials in conjunction with space launch programs; (2) storage of member personal property, such as guns, ammunition, and related material, when such storage is in the interest of public safety; (3) storage of allied/foreign munitions during joint testing, exercises or coalition warfare; (4) storage of explosives and hazardous materials in support of other U.S. Government agencies, to include State and local law enforcement agencies; (5) storage of contractor owned explosive materials when performing a service for the benefit of the U.S. Government; and (6) storage of commercial explosives on DOD installations participating in full or partial privatization.

The Senate amendment contained a similar provision (sec. 331).

The Senate recedes with a clarifying amendment.

Annual report on payments and activities in response to fines and penalties assessed under environmental laws (sec. 344)

The Senate amendment contained a provision (sec. 332) that would require an annual report of fines and penalties assessed against the Department of Defense (DOD) under Federal, State, or local environmental laws.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Annual report on environmental activities of the Department of Defense overseas (sec. 345)

The Senate amendment contained a provision (sec. 333) that would require the Department of Defense (DOD) to report annually on overseas environmental restoration, compliance, and other international environmental activities.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees hold a strong interest in ensuring appropriate oversight of funds used in support of the Department's overseas environmental policy.

Review of existing environmental consequences of the presence of the United States Armed Forces in Bermuda (sec. 346)

The Senate amendment contained a provision (sec. 1091) that would require the Secretary of Defense, not later than 120 days after the date of enactment of this Act, to submit a report to the congressional defense committees that describes the remaining environmental effects of the presence of the United States Armed Forces in Bermuda.

The House bill contained no similar provision.

The House recedes.

Sense of Congress on deployment of United States Armed Forces abroad for environmental preservation activities (sec. 347)

The House bill contained a provision (sec. 1062) that would express the sense of Congress that the United States Armed Forces should not be deployed outside the United States to provide assistance to another nation in connection with environmental preservation activities within that nation.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Recovery and sharing of costs of environmental restoration at Department of Defense sites (sec. 348)

In relation to Department of Defense cost-sharing policies and practices at cleanup sites, the Senate amendment contained a provision (sec. 337) that would direct the Secretary of Defense to: (1) provide guidance to the military departments and the Defense Logistics Agency (DLA) that resolves current inconsistencies in recovering cleanup costs from potentially responsible third parties; (2) require the military departments and DLA to aggressively pursue future cost reimbursement and recovery actions; (3) require the military departments and the DLA to identify contractors or other private third parties involved in contamination at Department of Defense (DOD) sites; (4) require the military departments and DLA to obtain all relevant data regarding contractors or other responsible parties identified contributing to site contamination, regardless of wrongdoing; (5) require the military departments and DLA to gather and maintain the most timely and accurate cost data available from the departments' and other agencies' records; (6) require the military departments and DLA to provide consistent estimates, including all cleanup costs for DOD environmental reports to Congress, regardless of the source of funds; and (7) require the military departments to offset environmental restoration budget requirements with amounts recovered from liable third parties or contractors.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that there have been a series of General Accounting Office (GAO) reports on DOD environmental cleanup which indicate that the Department has incurred a significant amount of cleanup expenses in instances in which a third party may have contributed to the contamination of government property. The GAO has reported that the DOD lacks uniform guidance regarding the policies and practices for recovery of such costs. The conferees have concluded that inconsistent policies have contributed to a lack of focus and minimal cost-recovery or cost-sharing at third party sites, particularly at government-owned/ contractor-operated facilities.

Partnerships for investment in innovative environmental technologies (sec. 349)

The House bill contained a provision (sec. 346) that would support the administration's proposal to authorize the Secretary of Defense to enter into partnerships with private sector entities in order to demonstrate and validate innovative environmental technologies. All partnership relationships would be contingent upon a determination that there is a clear potential for the technology to be of significant value to Department of Defense environmental activities. The authority would be subject to expiration three years after the enactment of this Act and

the Secretary of Defense would have to provide annual reports to Congress on the use of this authority.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would: (1) require the use of competitive procedures for the selection of any private sector participants in a partnership; (2) require that parties other than the Department of Defense provide at least 50 percent of the funding in any partnership (not including in-kind contributions or pre-existing investments); (3) permit partnerships only in the case of technologies that the Secretary determines would not be developed without the commitment of Department of Defense funds and are likely to be of significant value to the Department at a substantial number of clean-up sites; and (4) require the Secretary to develop appropriate regulations to ensure that all Department of Defense funds committed to a partnership are expended to develop the technologies authorized in the partnership agreement.

In addition, the amendment would require the Secretary of Defense, before entering into any partnership, to evaluate: (1) the potential for the technology to be used by the Department for environmental remediation; (2) the technical feasibility and maturity of the technology being considered; (3) the adequacy of financial and management plans; (4) a cost and benefit analysis of the proposed technologies; (5) the potential for transfer or commercialization of the technology; and (6) the proposed cost-sharing arrangement.

Procurement of recycled copier paper (sec. 350)

The Senate amendment contained a provision (sec. 340) that would codify and extend the Executive Order 12873 requirements for Federal agencies to increase the use of recycled-content paper products, as specifically applied to the Department of Defense (DOD). The provision would specifically require the Department to use recycled-content copier paper, as follows: 20 percent, January 1, 1998; 30 percent, January 1, 1999; and 50 percent, January 1, 2004, but if DOD is unable to meet the 2004 deadline the Secretary of Defense must certify that fact to Congress one year prior, which would vitiate the deadline. The Department would not be required to meet any of these deadlines if the cost differential between recycled-content paper and virgin paper exceeds seven percent.

The House bill contained no similar provision.

The House recedes with an amendment that would replace the seven percent cost differential with a requirement that the relevant departmental secretary make a finding that there is a ''significant'' price difference between recycled-content and virgin copier paper.

Pilot program for the sale of air pollution emission reduction incentives (sec. 351)

The Senate amendment contained a provision (sec. 338) that would support the administration's proposal to give the military departments the authority to sell emission reduction credits, also known as incentives. The provision directs the Secretary of Defense to promulgate regulations that would provide for the retention of the proceeds at the facility that developed the credits for sale. The provision would also allow for use of proceeds from the sale of emission reduction credits to pay for fees and other charges associated with identifying, quantifying, or valuing the credits. Subsequent to the development of credits, less than $500,000 may be retained Defense-wide.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees view the retention and use of proceeds at the facility level as a key element of this provision. In addition, the costs associated with identifying, quantifying, or valuing a facility's emission reduction credits should not be subject to the $500,000 cap on proceeds retention. Finally, the conferees expect that this new authority would be utilized at active facilities within the Department of Defense.

Subtitle D—Depot-Level Activities

The House bill contained six provisions (secs. 331–336) that would govern the activities of the Department of Defense (DOD) in relation to the maintenance and repair of military equipment. The Senate amendment contained two similar provisions, and seven additional provisions not contained in the House bill.

The conference agreement includes thirteen provisions concerning depot maintenance policy. The conferees believe these provisions will provide the Department with additional flexibility to utilize the most efficient source of maintenance and repair services that are consistent with the national security requirements of the United States.

Definition of depot-level maintenance and repair (sec. 355)

The House bill contained a provision (sec. 333(a)) that would establish a statutory definition of depot-level maintenance and repair, based on the definition contained in current DOD regulations. This provision would require the inclusion of all depot-level maintenance and repair, including maintenance performed under other names such as interim contractor support (ICS) and contractor logistics support (CLS), for purposes of calculating the amount of depot maintenance performed by public and private sector activities, as required by section 2466 of title 10, United States Code, and other applicable sections.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would codify a definition of depot maintenance that is similar to the definition contained in the House bill, except that it would not include the procurement of a major weapon system modification or upgrade designed to improve program performance, the nuclear refueling of an aircraft carrier, or the procurement of parts for a safety modification.

Core logistics capabilities of Department of Defense (sec. 356)

The House bill contained a provision (sec. 334) that would amend section 2464 of title 10, United States Code, to make it clear that it is essential for national defense that the Department of Defense (DOD) maintain a core logistics capability that is government-owned and government-operated. The provision would require the Secretary of Defense to identify those logistics activities necessary to maintain a core logistics capability that would include the capability, facilities, and equipment to maintain and repair those weapons systems necessary to meet the requirements of the National Military Strategy.

The provision would require that, within four years of initial operational capability, DOD develop the capability to repair new weapons systems purchased by the Department that are identified as requiring a core logistics capability at government-owned and government-operated facilities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to identify those logistics capabilities that are necessary to maintain and repair the weapon systems and other military equipment that are required to enable the armed forces to fulfill the strategic and contingency plans prepared by the Chairman of the Joint Chiefs of Staff. The provision would require the performance of core logistics workloads necessary to maintain this capability within public depot activities.

The provision does not require that maintenance for all weapon systems necessary for the execution of DOD strategic and contingency plans be performed at public facilities. Rather, it requires that the capability to perform maintenance and repair on these systems be retained in the public depot activities and that these activities be assigned sufficient workload to ensure that they are operated as cost efficiently as possible while preserving sufficient surge capacity to support the strategic and contingency plans of the U.S. Armed Forces. The conferees recognize that an efficient operation that preserves this surge capability does not require more than a single work shift at the depots during peacetime.

The conference agreement creates specific exemptions from the core capability requirements, including an exemption for commercial systems purchased by DOD where these purchases do not constitute a majority of the sales of that item. The provision would also make conforming changes to existing sections of law.

Increase in percentage of depot-level maintenance and repair that may be contracted for performance by non-government personnel (sec. 357)

The Senate amendment contained a provision (sec. 311) that would allow the Department of Defense to utilize private entities to perform greater amounts of depot maintenance on military equipment. The provision would allow each of the military departments to spend up to 50 percent of their depot maintenance funds on contracts for maintenance at locations other than public depots. The remaining fifty percent of funding would have to be expended for maintenance at public depot activities; whether performed by government or non-governmental personnel. This authority would become effective on October 1, 1998.

The House bill had no similar provision.

The House recedes with an amendment that would allow the military departments to increase from 40 percent to 50 percent the share of depot level maintenance performed by the private sector. These percentages would continue to be calculated based on whether the maintenance is performed by public or private sector personnel.

Annual Report on depot-level maintenance and repair (sec. 358)

The Senate amendment contained a provision (sec. 314) that would require the Secretary of Defense to provide an annual report to the Congress detailing the percentage of depot maintenance funds used during the preceding fiscal year for performance of depot-level maintenance and repair workloads at public and private facilities. The provision would also require that the Comptroller General of the United States provide the Congress with his views on whether the Department of Defense has complied with the requirements of section 2466 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Requirement for use of competitive procedures in contracting for performance of depot-level maintenance and repair workloads formerly performed at closed or realigned military installations (sec. 359)

The House bill contained a provision (sec. 333(b)) that would restrict the Secretary of

Defense, or the secretary of a military department, from entering into a contract for the performance of depot-level maintenance and repair at any facility that was approved in 1995 for closure under the Defense Base Closure and Realignment Act (BRAC), unless the following requirements are met:

(1) The secretary concerned would certify to the Congress that all of the other maintenance and repair facilities of that department are at 80 percent capacity, as defined by the BRAC Commission in 1995;

(2) The secretary concerned would certify to the Congress that the total cost of the proposed contract would be less than if the depot-level maintenance or repair were accomplished in facilities owned and operated by the Department of Defense;

(3) All of the data used to determine the total costs would be available for examination; and

(4) None of the depot-level maintenance and repair work proposed under the contract was considered to be a core logistics capability of the military department concerned prior to July 1, 1995.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would replace the restrictions on privatizing-in-place the workloads at the closing public depot activities with a requirement to conduct fair and open competitions for these workloads. The requirement would only apply to those workloads that are proposed to be competed for outsourcing after enactment of the National Defense Authorization Act for Fiscal Year 1998. The requirement does not apply to those workloads that may not be outsourced because they are necessary to retain a core depot maintenance capability in public depot activities, workloads that were outsourced before the enactment of the National Defense Authorization Act for Fiscal Year 1998, or workloads that would be consolidated within another public depot activity.

The provision outlines a number of requirements that the Department of Defense must satisfy in the conduct of these competitions. The conferees understand that these are only a few of the issues that the Department will have to address in the solicitation for, and consideration of, bids.

(1) The source selection process must permit both public and private offerors to submit bids.

(2) The source selection process must take into account the fair market value of any land, plant, or equipment at a closed or realigned military installation that is proposed to be used by the private offeror in the performance of the workload.

(3) The source selection process must take into account the total direct and indirect costs that will be incurred by the Department of Defense and the total direct and indirect savings that will be derived by the Department of Defense. Such savings would include any overhead savings (e.g., reduced administrative costs, more efficient utilization of facilities) that would result from the consolidation of workloads to the remaining public depot activities.

(4) The cost standards used to determine the depreciation of facilities and equipment shall provide, to the maximum extent practicable, identical treatment for all public and private offerors. The conferees expect that this will include, at a minimum, identical depreciation periods for plant and equipment at public and private facilities.

(5) Any offeror, whether public or private, must be permitted to team with any other public or private entity to perform the workload at any location or locations of their choosing. The provision specifically states that no offeror may be given any preferential consideration for, or in any way be limited to, performing the workload at the closed or realigned facility or at any other specific location. The conferees expect full and open competitions for these workloads and expect that private sector bidders would submit proposals to perform these workloads at locations other than the closed or realigned installations. The Department would be expected to consider real differences among bidders in cost or capability to perform the work based on factors that would include the proposed location or locations of the workloads. The consideration of such differences does not constitute ''preferential treatment.''

(6) The provision would authorize the bundling of unrelated workloads into one contract only if the Secretary of Defense determines in writing that individual workloads cannot be performed separately by qualified bidders as logically and economically as the combined workloads can be performed by a single entity. The conferees are concerned that the bundling of these workloads could disadvantage bidders that are fully qualified to perform one or more of the individual workloads but cannot adequately perform all of the workloads combined. This would allow more offerors to participate in the competition and might yield increased savings to the taxpayer.

(7) Before a request for proposal for these workloads can be issued, the Secretary of Defense must provide the Congress with a detailed directive or plan describing the procedures DOD would use to conduct these competitions. The conferees expect that the Secretary's report will explain any differences between the evaluation criteria or other procedures that will be used for these upcoming competitions and those that were used in the recent competition for the C-5 aircraft maintenance workload. The report should also describe any special requirements or criteria for these competitions, whether required by this provision or by the Department of Defense, that the Department does not anticipate applying to future public-private competitions that do not involve closed or realigned facilities.

The provision would also require that the Comptroller General review the solicitations and competitions conducted pursuant to this authority and determine if the Department has complied with the requirements of this provision. The conferees note that section 716 of title 13, United States Code, gives the Comptroller General access to the information necessary to make his determination. This section requires each agency to provide the Comptroller General with all necessary information. The Comptroller General is required to maintain the same level of confidentiality for a record made available under this section, as is required of the head of the releasing agency. On the basis of this section, agencies have historically provided the General Accounting Office with information on the conduct of a procurement, regardless of whether a contract has yet been awarded. The conferees expect the Air Force to provide similar access in the case of public-private competitions covered by this section.

The conferees are concerned that access to information was not provided to the Comptroller General during the recent competition for the C-5 workload. The refusal on the part of the Source Selection Authority and General Counsel of the Air Force to provide such information is inexplicable given the authority in title 13 cited above. The conferees note that the legislation restricting access to source selection material specifically states that ''[N]othing in this section shall be construed to authorize the withholding of any information from the Congress, any committee or subcommittee thereof, a Federal agency, any board of contract appeals of a Federal agency, the Comptroller General, or an Inspector General of a Federal agency'' (41 U.S.C. 423).

The new provision would also provide a mechanism for the public depots (or any other offeror) to appeal directly to the Secretary of Defense, or his designee, if they believe the competition was conducted unfairly. The Secretary could not designate the source selection authority or an official within the same military department to perform this responsibility. The conferees expect that the procedures established by the Secretary will clarify that the Secretary need not consider on the merits any protest that has already been decided on the merits by the General Accounting Office.

Finally, the provision would require the Secretary to report to the Congress on the proposed allocation of workloads currently performed at Kelly and McClellan Air Force Bases. Although the report must include a capacity utilization analysis based on the maximum potential capacity certified for the 1995 Base Realignment and Closure Commission, the conferees note that nothing precludes the Secretary from including additional analysis that would utilize any alternative baseline believed to be appropriate.

Clarification of prohibition on management of depot employees by constraints on personnel levels (sec. 360)

The Senate amendment contained a provision (sec. 313) that would prohibit the management of personnel who are involved in depot maintenance on the basis of any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.

The House bill contained no similar provision.

The House recedes.

The conferees believe personnel assigned to perform depot maintenance should be managed by the amount of workload required to be performed and the amount of funds provided for its performance.

Centers of industrial and technical excellence (sec. 361)

The House bill contained a provision (sec. 335) that would direct the Secretary of Defense to establish Centers of Industrial and Technical Excellence at existing Department of Defense (DOD) maintenance and repair depots to encourage the reengineering of industrial processes, the adoption of best business practices, and to enable public-private partnerships for the performance of depot-level maintenance and repair.

The Senate amendment contained a similar provision (sec. 312).

The House recedes with an amendment that would apply the provisions of section 2667(d) of title 10, United States Code, and allow lease proceeds and other receipts from these partnerships to be credited to the account that incurred the costs. That credit would permit the centers to be reimbursed for expenses related to these partnerships. The conferees direct the Secretary of Defense to annually report to the congressional defense committees on the revenues received pursuant to this authority.

Extension of authority for aviation depots and naval shipyards to engage in defense related production and services (sec. 362)

The House bill contained a provision (sec. 331) that would extend through fiscal year 1999 the authority provided by section 1425 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101—510) for naval shipyards and aviation depots of all the military departments to bid on defense-related production and services.

The Senate amendment contained a similar provision (sec. 318) that would extend this authority through fiscal year 1998.

The Senate recedes.

Repeal of conditional repeal of certain depot-level maintenance and repair laws and a related reporting requirement (sec. 363)

The Senate amendment contained a provision (sec. 317) that would repeal section 311 of the National Defense Authorization Act for Fiscal Year 1996, which would have repealed sections 2466 and 2469 of title 10, United States Code, contingent upon the submission of a new policy by Department of Defense (DOD) to replace those statutes. Section 311 would be irrelevant because the DOD failed to submit an acceptable plan.

The House bill contained no similar provision.

The House recedes.

Personnel reductions, Army depots participating in Army Workload and Performance System (sec. 364)

The House bill contained a provision (sec. 336) that would prohibit any reduction in force of any civilian employees at the five Army maintenance depots participating in the demonstration and testing of the Army Workload and Performance System (AWPS), until the Secretary of the Army certifies to the Congress that the AWPS is fully operational and the manpower audits being performed by the General Accounting Office, the Army Audit Agency, and the Army Inspector General have been completed.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would prohibit the initiation of any reduction in force of any civilian employees at the five Army maintenance depots participating in the demonstration and testing of AWPS, until a report is provided by the Secretary of the Army certifies to the Congress that the AWPS is fully operational. This prohibition does not apply to any reductions in force necessary to implement the BRAC 1995 decisions at Letterkenny and Red River Army Depots. The conferees believe that because this personnel system is used to determine the number of employees that are necessary to perform the work at the depots, it should be operational before a determination is made regarding additional reductions in force. The conferees do not view this provision as a precedent for prohibiting reductions in force at Department of Defense installations.

Report on allocation of core logistics activities among Department of Defense facilities and private sector facilities (sec. 365)

The Senate amendment contained a provision (sec. 315) that would require the Department of Defense to evaluate and report to the Congress on an alternative set of criteria for distinguishing core from non-core maintenance.

The House bill contained no similar provision.

The House recedes.

Review of use of temporary duty assignments for ship repair and maintenance (sec. 366)

The Senate amendment contained a provision (sec. 316) that would require the General Accounting Office to review the Navy's policies for using Temporary Duty shipyard workers to perform ship maintenance work at home ports.

The House bill contained no similar provision.

The House recedes.

Sense of Congress regarding realignment of performance of ground communication-electronic workload (sec. 367)

The Senate amendment contained a provision (sec. 319) that would express the Sense of the Congress that the transfer of the ground communication-electronic workload to Tobyhanna Army Depot, Pennsylvania, should be carried out in adherence to the schedule prescribed for that transfer by the Defense Depot Maintenance Council on March 13, 1997.

The House bill contained no similar provision.

The House recedes.

Subtitle E—Commissaries and Nonappropriated Fund

Reorganization of laws regarding commissaries and exchanges and other morale, welfare, and recreation activities (sec. 371)

The House bill contained a provision (sec. 361) that would reorganize chapter 147 of title 10, United States Code, so that the chapter deals exclusively with provisions of law relating to commissaries, exchanges, and other morale, welfare and recreation activities.

The Senate amendment contained no similar provision.

The Senate recedes.

Merchandise and pricing requirements for commissary stores (sec. 372)

The House bill contained a provision (sec. 362) that would amend section 2486 of title 10, United States Code, to restrict the categories of merchandise that may be sold in commissaries; require that no change in the current commissary surcharge could occur without a prior authorization in law; and provide that the Secretary of Defense may not make any change in pricing policies without advance notice to Congress and a waiting period of 90 legislative days.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that any proposed change to the authorized product list be submitted annually and would establish, in law, that the amount of the surcharge would be five percent of the sale price of merchandise sold.

Limitation on noncompetitive procurement of brand-name commercial items for resale in commissary stores (sec. 373)

The House bill contained a provision (sec. 363) that would amend section 2486(e) of title 10, United States Code, to make more rigorous the standard for determining brand name commercial items that may be sold by commissaries.

The Senate amendment contained no similar provision.

The Senate recedes.

Treatment of revenues derived from commissary store activities (sec. 374)

The House bill contained a provision (sec. 366) that would provide that amounts received by the Defense Commissary Agency (DECA) from certain sources be deposited in the surcharge account.

The Senate amendment contained a similar provision (sec. 351).

The House recedes with an amendment that would not permit earnings from the sale of tobacco products to be deposited in the surcharge account.

Maintenance, repair, and renovation of Armed Forces Recreation Center, Europe (sec. 375)

The conferees agree to a provision that would clarify the authority of the Secretary of Defense to use appropriated funds to maintain, repair, and renovate real property at the Armed Forces Recreation Center, Europe.

Plan for use of public and private partnerships to benefit morale, welfare and recreation activities (sec. 376)

The House bill contained a provision (sec. 365) that would permit the Secretary of Defense to authorize nonappropriated fund instrumentalities to enter into leases, licensing agreements, concession agreements, and other contracts with private persons and state or local governments involving real and personal property under the control of such nonappropriated fund instrumentalities in order to facilitate the provision of facilities, goods, or services to authorized patrons.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to develop a comprehensive plan defining the purpose and goals, and describing how the Department would implement and administer leases, licensing agreements, concession agreements, and other contracts with private persons and state or local governments involving real and personal property under the control of such nonappropriated fund instrumentalities in order to facilitate the provision of facilities, goods, or services to authorized patrons, and submit the plan to the Congress.

INSTRUMENTALITIES

Subtitle F—Other Matters

Assistance to local educational agencies that benefit dependents of members of the armed forces and Department of Defense civilian employees (sec. 381)

The House bill contained a provision (sec. 371) that would authorize $35.0 million for educational assistance to local education agencies where the standard for the minimum level of education within the state could not be maintained because of the large number of military connected students or the effects of base realignments and closures.

The Senate amendment contained no similar provision.

The Senate recedes.

Center for Excellence in Disaster Management and Humanitarian Assistance (sec. 382)

The Senate amendment contained a provision (sec. 362) that would authorize the Secretary of Defense to operate a Center for Excellence in Disaster Management and Humanitarian Assistance at Tripler Army Medical Center to address the military's role in a wide range of disaster initiatives throughout Southeast Asia and the Pacific Basin region.

The House bill contained no similar provision.

The House recedes with an amendment that would not require the location of this center to be at the Tripler Army Medical Center.

Applicability of Federal printing requirements to Defense Automated Printing Service (sec. 383)

The House bill contained a provision (sec. 377) that would clarify that the Defense Automated Printing Service (DAPS) shall comply with chapter 5 of title 44, United States Code, regarding printing services.

The Senate amendment contained no similar provision.

The Senate recedes a technical amendment.

Study and notification requirements for conversion of commercial and industrial type functions to contractor performance (sec. 384)

The House bill contained a provision (sec. 1412) that would amend current law dealing with congressional notification of any decision to study a commercial function of the Department of Defense for possible outsourcing to the private sector, and any decision to ultimately outsource such a function.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend current law to expand

congressional notifications and to include a timetable for conversion to contractor performance.

Collection and retention of cost information data on contracted out services and functions (sec. 385)

The House bill contained a provision (sec. 1413) that would require the Secretary of Defense to collect and permanently retain, cost information data regarding performance of the service or function by private contractor employees.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the time that the data would have to be retained to ten years.

Financial assistance to support additional duties assigned to Army National Guard (sec. 386)

The Senate amendment contained a provision (sec. 364) that would authorize the Secretary of the Army to contribute funds to the Army National Guard in order to pay for the costs of those services carried out by the Guard in the performance of maintenance and other responsibilities of the Secretary.

The House bill contained no similar provision.

The House recedes.

Competitive procurement of printing and duplication services (sec. 387)

The House bill contained a provision (sec. 1404) that would extend the authority under the fiscal year 1996 act that would require the Secretary of Defense to procure 70 percent of the non-classified printing services from the commercial sector. The provision would also prohibit the Defense Automation and Printing Service from imposing a surcharge on printing and duplication services when those services are procured outside the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Continuation and expansion of demonstration program to identify overpayments made to vendors (sec. 388)

The House bill contained a provision (sec. 376) that would reauthorize, through fiscal year 1998, section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106), which provides for a demonstration program to identify overpayments made to vendors. The authority provided by this specific provision is restricted to the identification of any overpayments and does not extend to the collection of debts. Authority for the procurement of debt collection services is already provided by section 3718 of title 31, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the General Accounting Office to review the program and report to Congress any significant findings such as the amount of funds that were recovered, together with any problems that occurred during the collection of these funds.

Standard forms regarding performance work statement and request for proposal for conversion of services and functions at military installations (sec. 389)

The House bill contained a provision (sec. 1411) that would require the Secretary of Defense to develop standard performance work statements and standard requests for proposal to be used when considering outsourcing of commercial functions. The use of such forms would provide relief from certain cumbersome procedures and requirements of OMB circular A-76.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would allow the Secretary to develop certain forms to meet the requirements of A-76. The conferees encourage the Secretary, when developing such forms, to give priority to services and functions that have already been converted by 50 percent.

Base operations support for military installations on Guam (sec. 390)

The House bill contained a provision (sec. 378) that would prohibit the use of non-immigrant aliens, as defined in section 101(a)(15)(H)(ii) of title 8, United States Code, for any base operations support contract to be performed on Guam.

The Senate amendment contained no similar provision.

The Senate recedes.

Warranty claims recovery pilot program (sec. 391)

The Senate amendment contained a provision (sec. 367) that would authorize a pilot program to recover any refunds owed the Air Force for maintenance work performed in public depots on aircraft engines while under warranty. Receipts under this program would be returned to the appropriations account from which the maintenance work was funded.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Comptroller General to review this program and report the results to the Congress.

Program to investigate fraud, waste, and abuse within Department of Defense (sec. 392)

The House bill contained a provision (sec. 372) that would authorize the continuation of Operation Mongoose through fiscal year 2003. The section would establish the Under Secretary of Defense (Comptroller) as the executive agent for this program and would require a report on the activities of the operation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that permanently provides for a program in the Department of Defense that coordinates the identification and prevention of fraudulent financial actions within Department of Defense (DOD). The conferees support the acceleration of transportation and vendor pay review and believe in expanding the program to use information from other government agencies to detect fraud within DOD. By mining financial information, the Department of Defense would be able to expand its current fraud detection efforts to improve the integrity of its financial management systems while reducing waste, fraud, and abuse.

In addition, the conferees direct the Secretary of Defense to provide a report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives by December 31, 1997, on the activities reviewed by Operation Mongoose, the savings or costs avoidance identified by activity, the number of cases referred for investigation, and the number of cases investigated by the investigating agency.

Multitechnology automated reader card demonstration program (sec. 393)

The Senate bill contained a provision (sec. 369) that would require the Secretary of the Navy to carry out a two year demonstration program during 1998 and 1999 to expand the use of multitechnology automated reader cards throughout the Navy and Marine Corps. This demonstration would include the use of ''smartship'' technology.

The House bill included no similar provision.

The House recedes.

Plan for reduction in overhead costs of inventory control points (sec. 394)

The House bill contained a provision (sec. 1421) that would require the Secretary of Defense to develop and implement a plan to reduce the overhead costs of the supply management activities of the Defense Logistics Agency and the military services to eight percent of the annual net sales.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the development of a plan on how the Department will reduce its overhead costs of the Inventory Control Points (ICPs) to eight percent by October 1, 2000.

Schedule for implementation of best inventory management practices at Defense Logistic Agency (sec. 395)

The Senate amendment contained a provision (sec. 366) that would direct the Director of the Defense Logistics Agency to develop and submit to Congress a schedule for the implementation of the best inventory management practices found in the commercial sector that are consistent with military requirements.

The House bill contained no similar provision.

The House recedes with an amendment that would expand the list of items to include pharmaceutical, automotive, and other supplies.

The conferees are concerned with recent reports of the excess inventory maintained by the Department of Defense. The retention of this inventory requires the expenditure of resources for storage and administration. The conferees note the recent General Accounting Office report outlining the significant quantities of excess inventory prepositioned in Europe and direct the Department to take those actions necessary to reduce the items for which there is no identified need and where disposal would result in long-term savings to the Federal Government.

LEGISLATIVE PROVISIONS NOT ADOPTED

Quarterly reports on execution of operation and maintenance appropriations

The House bill contained a provision (sec. 317) that would require the Secretary of Defense to report quarterly on the execution of the operation and maintenance budget.

The Senate amendment contained no similar provision.

The House recedes.

Exclusion of certain large maintenance and repair projects from percentage limitation on contracting for depot-level maintenance

The House bill contained a provision (sec. 332) that would exclude from the restrictions contained in section 2466 of title 10, United States Code, an aircraft carrier or a submarine repair or overhaul project that represents five percent or more of the total amount made available to the Department of the Navy for depot-level maintenance and repair.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree that the exception to the definition of depot maintenance for the refueling of nuclear aircraft carriers contained within section 355 of the Act together with the additional flexibility provided by the change from 60/40 to 50/50, should provide the same flexibility the House bill intended to provide.

Authorization to pay negotiated settlement for environmental cleanup at former department of defense sites in Canada

The House bill contained a provision (sec. 343) that would authorize the Secretary of

Defense to pay the Government of Canada up to $100.0 million through annual payments over a ten year period for the environmental cleanup of four sites formerly operated by the U.S. Armed Forces in Canada: 21 Distant Early Warning (DEW) Line sites; Goose Bay Airfield; Haines-Fairbanks Pipeline sites; and the U.S. Naval Station, Argentia. The authorization request was based on a bilateral agreement between the United States and Canada. The agreement provided for the payment of the $100.0 million into the Foreign Military Sales (FMS) Trust Fund Account so that the Canadian Government could draw against this account to purchase unspecified military equipment from an undetermined manufacturing source.

The Senate amendment contained no similar provision.

The House recedes.

The conferees decline to provide the requested authorization and direct the Department to focus on funding and conducting environmental cleanup at sites where there is an existing legal obligation.

Revision of report requirement of Navy program to monitor ecological effects of organotin

The House bill contained a provision (sec. 345) that would extend the date and expand the scope of a reporting requirement originally established in section 333 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

The Senate amendment contained no similar provision.

The House recedes.

The conferees intend to monitor the progress made by the Environmental Protection Agency (EPA) and the Navy in implementation of criteria established by EPA for control of organotin. If the permitting process is not consistent with the EPA criteria, the conferees are prepared to revisit this issue in relation to the Department's fiscal year 1999 budget request.

Pilot program to test an alternative technology for eliminating solid and liquid waste emissions during ship operations

The House bill contained a provision (sec. 347) that would authorize the Secretary of the Navy to establish a pilot program to demonstrate plasma arc technology for treating shipboard solid and liquid waste. The technology would consist of a compact, stationary, high alumina refractory hearth, plasma arc melter system for incineration of waste.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the Navy is currently investigating the applications of plasma arc technology for the destruction of shipboard solid waste. That work is taking place in an approved research and development program. As a part of that program, the Navy tested the feasibility of using a high alumina refractory hearth for shipboard applications and determined that the hearth structure was unacceptable because the variable shipboard waste streams produce a molten slag that dissolves high alumina hearth walls. However, that was only one aspect of the plasma arc technology research and development efforts. Therefore, the conferees encourage the Navy to continue its current effort to develop the plasma arc thermal destruction technology.

Transfer of jurisdiction over exchange, commissary, and morale, welfare and recreation activities to Under Secretary of Defense Comptroller

The House bill contained a provision (sec. 364) that would amend section 135 of title 10, United States Code, to transfer administrative responsibility within the Department of Defense for the areas of exchange, commissary, and nonappropriated fund instrumentalities regarding morale, welfare and recreation activities from the Under Secretary of Defense for Personnel and Readiness to the Under Secretary of Defense (Comptroller).

The Senate amendment contained no similar provision.

The House recedes.

Authorized use of appropriated funds for relocation of Navy Exchange Service Command

The House bill contained a provision (sec. 367) that would provide that the Navy Exchange Service Command (NEXCOM) shall not be required to reimburse the United States for appropriated funds allotted to NEXCOM during fiscal years 1994, 1995, and 1996 for costs incurred in connection with the relocation of NEXCOM headquarters to Virginia Beach, Virginia and for the lease of headquarters space.

The Senate amendment contained no similar provision.

The House recedes.

Prohibition on use of Special Operations Command budget for base operation support

The House bill contained a provision (sec. 375) that would amend section 167(f) of title 10, United States Code, to prohibit the use of funds provided for the Special Operations Command for base operations support expenses incurred at military installations.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that Congress established the Special Operations Command, including a separate major force budget program (MFP–11), to correct serious deficiencies in special operations capabilities and to ensure special operations combat readiness. The conferees believe that the regular practice of using MFP–11 funds for base operations support would be in conflict with the original intent for these funds. However, the conferees recognize the need to provide the Commander-in-Chief of the Special Operations Command with the flexibility to use these funds in this manner should the necessity arise. Therefore, the conference agreement does not contain this provision. However, the conferees intend to monitor this issue closely to ensure that MFP–11 funds are used in a manner consistent with the intentions of Congress and agree to revisit the issue should the need arise.

Availability of funds for separation pay for defense acquisition personnel

The House bill contained a provision (sec. 1303) that would authorize $100.0 million in operations and maintenance funding for payment of separation pay to the Department of Defense civilian acquisition personnel.

The Senate amendment contained no similar provision.

The House recedes.

Competitive procurement of finance and accounting services

The House bill contained a provision (sec. 1401) that would require the Secretary of Defense to competitively procure finance and accounting services currently provided by the Defense Finance and Accounting Service from among government and private sector sources.

Senate amendment contained no similar provision.

The House recedes.

Competitive procurement of services to dispose of surplus defense property

The House bill contained a provision (sec. 1402) that would require the Secretary of Defense to make available for competition those functions of the Defense Reutilization and Marketing Service that are associated with the disposal of surplus Department of Defense property.

The Senate amendment contained no similar provision.

The House recedes.

Competitive procurement of functions performed by Defense Information Systems Agency

The House bill contained a provision (sec. 1403) that would require the Secretary of Defense to competitively procure commercial and industrial type functions performed by the Defense Information Systems Agency.

The Senate amendment contained no similar provision.

The House recedes.

Competitive procurement of commercial and industrial type functions by defense agencies

The House bill contained a provision (sec. 1406) that would require the Secretary of Defense to competitively procure commercial and industrial type functions performed by defense agencies.

The Senate amendment contained no similar provision.

The House recedes.

Consolidation of procurement technical assistance centers and electronic commerce resource centers

The House bill contained a provision (sec. 1422) that would require consolidation of the Procurement Technical Assistance Center (PTAC) and the Electronic Commerce Resource Center (ECRC) programs in fiscal year 1998. The provision would also require the use of competitive procedures in granting awards under the consolidated program.

The Senate amendment contained no similar provision.

The House recedes.

Risk assessments under the defense environmental restoration program

The Senate amendment contained a provision (sec. 336) that would direct the Secretary of Defense to define the elements of a relative risk site evaluation methodology, to develop uniform guidance for site assessment and ranking, and to ensure consistent application of the guidance. The Department's relative risk site evaluation involves three site categories for justifying requirements and allocating funds: high; medium; and low. According to the Department, the high relative risk sites are given a greater funding priority than the medium and low relative risk sites.

The House bill contained no similar provision.

The Senate recedes.

Tagging system for identification of hydrocarbon fuels used by the Department of Defense

The Senate amendment contained a provision (sec. 339) that would authorize the Department of Defense to conduct a pilot program to determine if hydrocarbon fuels used by the Department can be tagged in order to deter theft and facilitate the determination of the source of surface and underground pollution in locations having separate fuel storage facilities from the Department and civilian companies.

The House bill contained no similar provision.

The Senate recedes.

Report on options for the disposal of chemical weapons and agents

The Senate amendment contained a provision (sec. 341) that would require the Secretary of Defense to submit a report to Congress on the options available to the Department of Defense for the disposal of chemical weapons and agents without building additional chemical weapons disposal facilities in the continental United States.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) directed the Secretary of Defense to conduct an assessment of the chemical stockpile disposal program and to consider measures that could be taken to reduce program costs. Further discussion on the results of the assessment are addressed elsewhere in the statement of managers.

Integration of military exchange services

The Senate amendment contained a provision (sec. 352) that would require the secretaries of the military departments to integrate the three military exchange systems by September 30, 2000.

The House bill contained no similar provision.

The Senate recedes.

The conferees endorse the concept of exchange integration. The conferees recognize that the Department of Defense is currently conducting a due diligence study to determine which functions could be integrated to yield savings and efficiencies while preserving high levels of customer service. The conferees direct the Secretary of Defense, upon completion of the due diligence study and if the study so recommends, to develop a plan for integrating the functions identified in the report. The plan must include a timeline for accomplishing each of the integration functions. The plan shall be submitted to the Congress not later than 120 days after the due diligence study is completed.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Active Forces

End strengths for active forces (sec. 401)

The House bill contained a provision (sec. 401) that would authorize end strengths for the active forces, as indicated in the table below:

Service	Fiscal year 1998—	
	Request	Recommendation
Army	495,000	495,000
Navy	390,802	395,000
Marine Corps	174,000	174,000
Air Force	371,577	381,000
Total	1,431,379	1,445,000

The Senate amendment contained a provision (sec. 401) that would authorize active duty end strengths for fiscal year 1998, as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
Army:			
Total	495,000	495,000	485,000
Officers	80,300	.....	80,300
Navy:			
Total	407,318	390,802	390,802
Officers	56,265	.....	55,695
Marine Corps:			
Total	174,000	174,000	174,000
Officers	17,978	.....	17,978
Air Force:			
Total	381,000	371,577	371,577
Officers	74,458	.....	72,732

The House recedes with an amendment that would authorize active duty end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 authorization
Army	495,000	495,000	495,000
Navy	407,318	390,802	390,802
Marine Corps	174,000	174,000	174,000
Air Force	381,100	371,577	371,577
Total	1,457,418	1,431,379	1,431,379

Permanent end strength levels to support two major regional contingencies (sec. 402)

The Senate amendment contained a provision (sec. 402) that would repeal section 691 of title 10, United States Code, as amended by section 402 of the National Defense Authorization Act for Fiscal Year 1997.

The House bill contained a similar provision.

The House recedes with an amendment that would amend section 691 of title 10, United States Code to make the end strength floors consistent with the active duty end strengths authorized in section 401 of the conference agreement. Additionally, the amendment would provide the Army one and one-half percent flexibility below the floor while retaining one percent flexibility for the Navy, Marine Corps and the Air Force.

The conferees are concerned about the strains being placed on military personnel and their families. There is an apparent incongruence between the number and frequency of deployments, the extraordinary pace of operations, and the continued pressure through the budget process to reduce military personnel levels. The conferees intend to continue to examine closely and challenge, as appropriate, any recommendations of the Department of Defense, the Quadrennial Defense Review, or the National Defense Panel to further reduce military personnel. The conferees will be especially vigilant for reductions in military personnel levels that appear to be driven purely by budget pressures, and not supported by the fielding modern systems that require fewer personnel or changes in the requirements of the national military strategy.

The conferees note that section 691 of title 10, United States Code, as amended by the conference report, requires the Secretary of Defense to fully fund and maintain the end strength floors in future budgets.

Subtitle B—Reserve Forces

End strengths for Selected Reserve (sec. 411)

The House bill contained a provision (sec. 411) that would authorize end strengths for the Selected Reserve as indicated in the table below:

	Fiscal year 1997 authorized	Fiscal year 1998—	
		Request	Recommendation
ARNG	366,758	366,516	366,516
USAR	215,179	208,000	208,000
USNR	96,304	94,294	94,294
USMCR	42,000	42,000	42,000
ANG	109,178	107,377	107,377
USAFR	73,311	73,431	73,431
Coast Guard	8,000	8,000	8,000
Total	910,730	899,618	899,618

The Senate amendment contained a provision (sec. 411) that would authorize Selected Reserve end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
The Army National Guard of the United States	366,758	366,516	361,516
The Army Reserve	215,179	208,000	208,000
The Naval Reserve	96,304	94,294	94,294
The Marine Corps Reserve	42,000	42,000	42,000
The Air National Guard of the United States	109,178	107,377	108,002
The Air Force Reserve	73,311	73,431	73,542
The Coast Guard Reserve	8,000	8,000	8,000

The House recedes with an amendment that would authorize Selected Reserve end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
The Army National Guard of the United States	366,758	366,516	361,516
The Army Reserve	215,179	208,000	208,000
The Naval Reserve	96,304	94,294	94,294
The Marine Corps Reserve	42,000	42,000	42,000
The Air National Guard of the United States	109,178	107,377	108,002
The Air Force Reserve	73,311	73,431	73,542
The Coast Guard Reserve	8,000	8,000	8,000

The conferees recommend an Army National Guard end strength below the 1998 request as a result of the Off-Site Review the Army announced on June 5, 1997, in which the active Army, the Army Reserve, and the Army National Guard agreed on personnel reductions recommended by the Quadrennial Defense Review. The conferees recommend increased end strengths for the Air National Guard and the Air Force Reserve to accommodate retention of the PAA C–130 aircraft at current levels. The conferees also recommend an adjustment to the Air Force Reserve end strength consistent with the recommendation that would prohibit the Secretary of the Air Force from replacing civilian base security personnel with active guard and reserve personnel. The conferees adjusted the recommended authorization of appropriations to reflect these recommendations.

End strengths for Reserves on active duty in support of the Reserves (sec. 412)

The House bill contained a provision (sec. 412) that would authorize the end strengths of the reserves on active duty in support of the reserves as indicated in the table below. These end strengths are included within the total end strengths authorized for the Selected Reserve.

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
ARNG	22,798	22,310	22,310
USAR	11,729	11,500	11,500
USNR	16,603	16,136	16,136
USMCR	2,559	2,559	2,559
ANG	10,403	10,616	10,616
USAFR	655	963	748
Total	64,747	64,084	63,869

The Senate amendment contained a provision (sec. 412) that would authorize full-time support end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
The Army National Guard of the United States	22,798	22,310	22,310
The Army Reserve	11,729	11,500	11,500
The Naval Reserve	16,603	16,136	16,136
The Marine Corps Reserve	2,559	2,559	2,559
The Air National Guard of the United States	10,403	10,616	10,671
The Air Force Reserve	655	963	963

The House recedes with an amendment that would authorize full-time support end strengths for fiscal year 1998 as shown below:

	Fiscal year—		
	1997 authorization	1998 request	1998 recommendation
The Army National Guard of the United States	22,798	22,310	22,310
The Army Reserve	11,729	11,500	11,500
The Naval Reserve	16,603	16,136	16,136
The Marine Corps Reserve	2,559	2,559	2,559
The Air National Guard of the United States	10,403	10,616	10,671
The Air Force Reserve	655	963	867
Total	64,747	64,084	64,043

The recommended change to the end strength for reserves on active duty in support of the Air Force Reserve results from an increase to support the retention of C–130 PAA aircraft at the current levels, a reduction from the budget request consistent with the recommendation that would prohibit the Secretary of the Air Force from replacing civilian base security personnel with active guard and reserve personnel, and an increase to accommodate the creation of deployable force protection teams in the Air Force Reserve. The conferees adjusted the recommended authorization of appropriations to reflect these changes.

Additionally, the conferees are concerned about a range of issues related to management, utilization, and assignment of persons participating in the active guard and reserve programs. The committees of jurisdiction intend to examine these matters during the second session of the 105th Congress.

End strengths for military technicians (dual status) (sec. 413)

The House bill contained a provision (sec. 413) that would authorize military technician end strength as indicated by the fiscal year 1998 recommendation below and would require future defense budget requests to include a legislative provision specifically detailing the end strength of the dual status military technicians to be authorized.

Service	Fiscal year—		
	1997 program	1998 request	1998 recommendation
ARNG	23,125	22,991	23,125
USAR	5,503	5,205	5,503
ANG	22,853	22,574	22,853
USAFR	9,802	9,622	9,802
Total	61,283	60,392	61,283

The Senate amendment contained a provision that increased above the budget request the authorized levels of military technicians in the Air National Guard and in the Air Force Reserve to support revised C–130 aircraft levels (sec. 413).

The Senate recedes.

Subtitle C—Authorization of Appropriations

Authorization of appropriations for military personnel (sec. 421)

The House bill contained a provision (sec. 421) that would authorize $69,539,862,000 to be appropriated for military personnel, an increase of $66,100,000 to the budget request.

The Senate amendment contained a provision (sec. 421) that would authorize $69,244,962,000 to be appropriated to the Department of Defense for military personnel.

The House recedes with an amendment that would authorize $69,470,505,000 to be appropriated for military personnel.

The conferees recommended the following modifications to the budget request for military personnel:

Fisal year 1998 Military Personnel Budget Items

[In millions of dollars]

Increases	
Fed. Civilian Military Leave	85.0
C–130 Force Structure (AFR & ANG)	5.4
Army End Strength Separation Cost	90.0
Increase Family Separation Pay	25.0
Field Duty Income Protection	18.0
Increase Hazardous Incentive Pay	22.1
Dental Pay Incentives	15.0
WWII Subsistence Allowances	1.0
Transfer from Contigency Operations Funds	213.6
Total Adds	475.1
Reductions:	
FY 98 AC End Strength Underexecution Savings	297.5
Army	240.0
Navy	10.0
USMC	3.6
Air Force	43.9
USAF 15-year Retirement Savings	58.5
Army NG 5K End Strength Reduction	22.0
RC Support Total Force	13.0
Health Professional Scholarship	25.6
Foreign Currency Fluctuation	62.0
Total reductions	478.6
Net Change from President's Budget	−3.5

LEGISLATIVE PROVISIONS NOT ADOPTED

Increase in number of members in certain grades authorized to serve on active duty in support of the reserves

The House bill contained a provision (sec. 414) that would authorize increases in the grades of reserve members authorized to serve on active duty or on full-time national guard duty for the administration of the reserves or the national guard.

The Senate amendment contained no similar provision.

The House recedes.

TITLE V—MILITARY PERSONNEL POLICY

ITEMS OF SPECIAL INTEREST

Personal finance training

The conferees are concerned about reports of personal financial difficulties being experienced by military personnel, especially lower ranking personnel. The conferees commend the Department of Defense and the services for their on-going efforts to assist and educate young service members and their families in ways and means of successfully managing their personal finances. The conferees urge the Secretary of Defense and the Secretaries of the Military Departments to review the adequacy of their training programs with regard to personal finance training to ensure a continuum of training that would provide all service members with the basic skills required to manage their personal finances. These courses should include checkbook management, credit card management, and debt management.

Sequester of Department of Defense funds as a result of a prohibition against military recruiting on campuses of Connecticut State colleges and universities

The conferees are aware that the Connecticut State Legislature and the State Supreme Court have taken steps to prohibit military recruiting on the campuses of state funded colleges and universities. As a result of this prohibition, and in accordance with section 558 of the National Defense Authorization Act for Fiscal Year 1995, the Department of Defense suspended payment of contract and grant funding to these colleges and universities.

The conferees note that the Connecticut State Legislature is not scheduled to meet until February 1998. The Governor has pledged that he will ensure the passage of legislation that would remedy the matter concerning access of military recruiters to Connecticut state institutions of higher education.

In order to provide the State of Connecticut with the opportunity to repeal its prohibition, the conferees direct the Secretary of Defense not to use funds that would have been used for contracts or grants to higher education institutions in Connecticut as sources in a reprogramming request nor to submit such funds as part of a rescission offer until March 29, 1998. If the State of Connecticut has not repealed the prohibition as of March 29, 1998, the Secretary of Defense may use the funds in a reprogramming or rescission activity.

Notwithstanding this sequestering of funds, the conferees insist that military recruiters be afforded access to institutions of higher education or face the consequence of loss of federal funds.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Officer Personnel Policy

Limitation on number of general and flag officers who may serve in positions outside their own service (sec. 501)

The House bill contained a provision (sec. 501) that would limit the number of general and flag officers serving in external assignments to no more than 24.5 percent of the total number of such officers authorized by Congress.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish the number of general and flag officers serving in external assignments to no more than 26.5 percent of the total number of such officers authorized by Congress, and would increase the length of time a general or flag officer may serve in a Joint Task Force without counting against the limit imposed by this provision.

The conferees agree that the limit is computed in the aggregate and not by individual service, and that the designation of ''dual-hatted'' positions as external or internal service billets shall be in accordance with service policies and regulations.

Exclusion of certain retired officers from limitation on period of recall to active duty (sec. 502)

The House bill contained a provision (sec. 502) that would exclude retired military chaplains, health care professionals, and officers serving on the American Battle Monuments Commission from being subject to the statutory limits on the period of time that recalled retirees may serve on active duty.

The Senate amendment contained a similar provision (sec. 504).

The Senate recedes with a clarifying amendment.

Clarification of officers eligible for consideration by promotion boards (sec. 503)

The House bill contained a provision (sec. 503) that would clarify that officers serving on active duty and in the reserve components may be excluded from consideration from promotion to the next higher grade if they are on a promotion board report, even if that report had not yet been approved by the President.

The Senate amendment contained a similar provision.

The House recedes with a clarifying amendment.

Authority to defer mandatory retirement for age of officers serving as chaplains (sec. 504)

The House bill contained a provision (sec. 504) that would repeal the prohibition on Navy chaplains on the retired list from serving as the Chief or Deputy Chief of Chaplains in the Navy. This provision would also increase the mandatory retirement age for the Chief or Deputy Chief of Chaplains in the

Navy from 62 to 68 years of age. In addition, the provision would permit service secretaries to defer the retirement of officers serving as chaplains until age 68 if the chaplains served in direct support of units and installations.

The Senate amendment contained a similar provision.

The Senate recedes with an amendment that would permit service secretaries to defer the retirement of chaplains until age 68 as long as the secretary considers the deferment in the best interest of the service.

Increase in number of officers allowed to be frocked to grades of colonel and Navy captain (sec. 505)

The Senate amendment contained a provision (sec. 502) that would increase the number of officers who may wear the grade and insignia of an O–6 (colonels in the Army, Air Force, and Marine Corps and captains in the Navy).

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Increased years of commissioned service for mandatory retirement of regular generals and admirals in grades above major general and rear admiral (sec. 506)

The Senate amendment contained a provision (sec. 505) that would increase the mandatory retirement point for three-star generals and admirals to 38 years of commissioned service and for four-star generals and admirals to 40 years of commissioned service.

The House bill contained no similar provision.

The House recedes.

The conferees do not intend that all three- and four-star officers be allowed to serve to the increased mandatory retirement points. The mandatory retirement points were increased to permit certain general and flag officers to serve long enough to develop and implement the long-term plans and policies required of certain senior positions without jeopardizing their chances of serving in positions of increased responsibility before reaching mandatory retirement. The conferees recognize that the improper implementation of this provision could have serious effects on the promotion flow points to other grades. The services retain all of their general and flag officer management tools which enable them to manage the career of those officers who become the most senior leaders within the military services without negatively affecting the career opportunities for junior officers.

Uniform policy for requirement of exemplary conduct by commanding officers and others in authority (sec. 507)

The Senate amendment contained a provision (sec. 554) that would establish, in statute, exemplary standards for commanding officers and others in positions of authority and responsibility.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Report on the command selection process for District Engineers of the Army Corps of Engineers (sec. 508)

The Senate amendment contained a provision (sec. 1079) that would require the Secretary of Defense to report to the Congress concerning the selection and assignment policies and procedures pertaining to District Engineers of the Army Corps of Engineers.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of the Army to provide the report to the Congress.

Subtitle B—Reserve Component Matters

Individual Ready Reserve activation authority (sec. 511)

The House bill contained a provision (sec. 511) that would authorize the President, under the Presidential Selective Reserve Call-up authority, to recall up to 30,000 members of a new category of the Individual Ready Reserve that would consist of those personnel, in the military skills designated by the Secretary of Defense, who had volunteered for this category prior to leaving active duty.

The Senate amendment contained no similar provision.

The Senate recedes.

Termination of Mobilization Income Insurance Program (sec. 512)

The House bill contained a provision (sec. 512) that would terminate the Ready Reserve Mobilization Income Insurance Program effective upon enactment of the National Defense Authorization Act for Fiscal Year 1998.

The Senate amendment contained a similar provision (sec. 511).

The Senate recedes.

Correction of inequities in medical and dental care and death and disability benefits for reserve members who incur or aggravate an illness in the line of duty (sec. 513)

The House bill contained a provision (sec. 513) that would authorize medical and dental care for the family member of a reservist who incurs or aggravates an injury or illness in the line of duty while serving on active duty for a period of 30 days or less and whose orders are subsequently modified to extend the period of active duty.

The Senate amendment contained a similar provision (sec. 661).

The Senate recedes with a clarifying amendment.

Authority to permit non-unit assigned officers to be considered by vacancy promotion board to general officer grades (sec. 514)

The House bill contained a provision (sec. 515) that would authorize the Secretary of the Army to permit officers not assigned to units of the Selected Reserve to compete for promotion to brigadier general and major general within the same promotion board process as officers who are assigned to units.

The Senate amendment contained no similar provision.

The Senate recedes.

Prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions (sec. 515)

The House bill contained a provision (sec. 517) that would prohibit the Secretary of the Air Force from using members of the Air Force Reserve who are on active duty in support of the reserves (known as active guard and reserve or AGR personnel) to perform force protection, base security, or security police functions at an Air Force facility in the United States until six months after the Secretary submits a report to the Congress on the use of AGR personnel in these functions.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit replacing security related military technician or civilian positions at the Air Force Reserve bases with AGR personnel during fiscal year 1998.

The conferees view the Air Force proposal to provide base security at four Air Force Reserve bases in the United States as an attempt to eliminate civilian technician positions. Use of the AGRs for this security mission would replace 72 Air Reserve technicians and 136 Department of Defense civilians now providing base security at these bases. For these reasons, the conferees would prohibit the Secretary of the Air Force from utilizing AGRs for base security at United States bases during fiscal year 1998. In another provision in the conference report, the conferees direct the Secretary of Defense to submit a report to the Congress on the feasibility and advisability of converting all active guard and reserve positions to military technicians. Until this study is complete, any conversion of military technician positions to active guard and reserve would be premature.

Involuntary separation of reserve officers in an inactive status (sec. 516)

The Senate amendment contained a provision (sec. 512) that would permit the President to discharge or retire a reserve commissioned officer in an inactive status who cannot or will not retire.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees expect that the service secretaries exercise prudence and discretion when they use this authority. The decision to involuntarily discharge or retire any officer is one that must be reached only after careful deliberation. The conferees do not intend that this authority be used indiscriminately or to limit the career potential of individual officers without compelling justification.

Federal status of service by National Guard members as honor guards at funerals of veterans (sec. 517)

The Senate amendment contained a provision (sec. 514) that would permit National Guard members who serve on funeral details for veterans of the armed forces to receive credit as a period of drill or training otherwise required.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees expect that participation of National Guard personnel in a funeral detail or honor guard will be strictly voluntary and that this authority will not be used as a basis for justifying force structure, end strength, or appropriations.

Subtitle C—Military Technicians

Authority to retain on the reserve active-status list until age 60 military technicians in the grade of brigadier general (sec. 521)

The House bill contained a provision (sec. 521) that would restore the authority that existed prior to the enactment of the Reserve Officer Personnel Management Act (ROPMA) that permitted the Secretaries of the Army and Air Force to retain brigadier general military technicians on the active-status list up to age 60.

The Senate amendment contained a similar provision (sec. 513).

The Senate recedes.

Military technicians (dual status) (sec. 522)

The House bill contained a provision (sec. 522) that would define a military technician (dual status) as a federal civilian employee who is hired in accord with titles 5 or 32, United States Code, and who, as a condition of federal civilian employment, must maintain military membership in the Selected Reserve, and who also must be assigned to a position as a technician in the administration and training of the Selected Reserve, or to a position in the maintenance and repair of supplies or equipment issued to the Selected Reserve or armed forces and require that, unless exempted by law, all military technicians hired on or after December 1, 1995, (the date of enactment of Public Law

104–61) would be required to maintain military membership in the Selected Reserve unit by which they are employed as a military technician, or in a unit they are employed as a military technician to support.

The Senate amendment contained no similar provision.

The Senate recedes.

Non-dual status military technicians (sec. 523)

The House bill contained a provision (sec. 523) that would cap the numbers of non-dual status technicians permitted in each of the reserve components in fiscal year 1998, and require the service secretaries in future years to reduce the number of non-dual status technicians by at least 10 percent per year.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the number of non-dual status technicians in each component, and require the Secretary of Defense to report to the Congress, not later than 90 days after enactment, the actual number of non-dual status technicians in each component, and to submit to Congress, not later than 180 days after enactment, a plan to ensure that by the end of fiscal year 2007, and thereafter, all military technician positions are only occupied by military technicians (dual status).

Report on feasibility and desirability of conversion of AGR personnel to military technicians (dual status) (sec. 524)

The House bill contained a provision (sec. 524) that would require the Secretary of Defense to report to the Congress on the feasibility and desirability of converting active guard and reserve personnel to dual status military technicians.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle D—Measures To Improve Recruit Quality and Reduce Recruit Attrition

Reform of military recruiting systems (sec. 531)

The House bill contained a provision (sec. 531) that would require the Secretary of Defense to undertake a series of department-wide reforms to improve the efficiency and effectiveness of military recruiting.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include the use of pre-enlistment waivers among those codes and systems to be revised and updated.

Improvements in medical prescreening of applicants for military service (sec. 532)

The House bill contained a provision (sec. 532) that would direct the Secretary of Defense to undertake a number of reforms, to include:

(1) Requiring each applicant for military service to provide the name of the applicant's medical insurer, the names of past medical providers, and a release to obtain the applicant's medical records;

(2) Revising the questions asked of applicants to tie the questions more directly to conditions that most frequently result in medical separations;

(3) Assigning to a contractor or agency other than the Military Entrance Processing Command (MEPCOM) the responsibility for evaluating medical conditions of recruits that are missed during MEPCOM's accession processing; and

(4) Requiring all applicants for military service be tested for use of illegal drugs at the MEPCOM station. The Senate amendment contained no similar provision. The Senate recedes with a clarifying amendment.

Improvements in physical fitness of recruits (sec. 533)

The House bill contained a provision (sec. 533) that would direct the Secretary of Defense to undertake a range of measures to improve the level of physical fitness of new recruits prior to the start of basic training, including the use of incentives, monetary and otherwise, for new recruits in the delayed entry program to voluntarily participate in supervised conditioning activities.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees expect that any activities developed to improve the physical fitness of recruits will be organized, formally scheduled, and supervised by personnel who have been appropriately trained to conduct physical readiness training. The conferees do not intend that recruits will be afforded unescorted, unsupervised access to military fitness facilities.

Subtitle E—Military Education and Training

Part I—Officer Education Programs

Requirement for candidates for admission to United States Naval Academy to take oath of allegiance (sec. 541)

The House bill contained a provision (sec. 543) that would codify what now is implemented by policy—that persons seeking admission to the United States Naval Academy take and subscribe to an oath of allegiance to the United States as a requirement for admission. This provision would make the requirement for an oath consistent in law for all three service academies.

The Senate amendment contained no similar provision.

The Senate recedes.

Service academy foreign exchange program (sec. 542)

The House bill contained a provision (sec. 546) that would authorize the Air Force Academy to enter into agreements with foreign governments in order to carry out a military academy foreign exchange program.

The Senate amendment contained a provision (sec. 521) that would authorize exchange programs at each of the service academies.

The Senate recedes with an amendment that would authorize exchange programs at all three service academies and would establish cost and enrollment limits.

Reimbursement of expenses incurred for instruction at service academies of persons from foreign countries (sec. 543)

The House bill contained a provision (sec. 544) that would constrain the Secretary of Defense's waiver authority for the cost of attendance for international students entering the service academies after the date of enactment to no more than 25 percent of the per-person cost of attendance by an international student, but would permit the Secretary, in exceptional cases, to waive more than 25 per cent of the cost for up to five international students at each of the service academies, and would recommend a reduction in fiscal year 1998 of $4.2 million in Defense-wide Operations and Maintenance accounts and a $1.0 million reduction in the amounts authorized for military personnel in the Army, Navy and Air Force.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish the amount of the cost of attendance for international students at the service academies permitted to be waived at 35 percent, but would permit the Secretary to waive more than 35 per cent of the cost for up to five international students at each of the service academies, would make the restrictions effective for students entering the academies after May 1998, and would restore the reductions to the military personnel and operations and maintenance accounts.

Continuation of support to senior military colleges (sec. 544)

The House bill contained a provision (sec. 567) that would require that the Secretary of Defense continue support to the senior military colleges (Texas A&M University, Norwich University, The Virginia Military Institute, The Citadel, Virginia Polytechnic Institute and State University, and North Georgia College and State University) in three principal ways: 1) retention of the long-standing commitment by the Army to provide active duty service for all graduates of the colleges who desire it and who are recommended for it by their respective professors of military science; 2) participation by the active duty personnel assigned to the Reserve Officers' Training Corps (ROTC) detachments at each college in the leadership, academic and military development of the corps of cadets, beyond ROTC programs; and 3) continued operation of the ROTC program at each of the colleges.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would ensure active duty service for graduates of the senior military colleges who request such service, who are medically and physically qualified, and are recommended by the professor of military science. Additionally, the amendment would ensure continued operation of the ROTC program at each of the senior military colleges.

Report on making United States nationals eligible for participation in Senior Reserve Officers' Training Corps (sec. 545)

The House bill contained a provision (sec. 572) that would require the Secretary of Defense to report to the Congress on the utility of permitting United States nationals to participate in the Senior Reserve Officers' Training Corps.

The Senate amendment contained no similar provision.

The Senate recedes.

Coordination of establishment and maintenance of Junior Reserve Officers' Training Corps units to maximize enrollment and enhance efficiency (sec. 546)

The Senate amendment contained a provision (sec. 525) that would require the Secretary of Defense to coordinate the establishment and maintenance of Junior Reserve Officers' Training Corps in order to maximize enrollment and to take into consideration openings of new schools and consolidation of schools.

The House bill contained no similar provision.

The House recedes with an amendment that would change the requirement from the Secretary of Defense to the secretaries of the military departments and delete the requirement that the Secretary of Defense seek additional funding from the local educational agencies.

Part II—Other Education Matters

United States Naval Postgraduate School (sec. 551)

The House bill contained a provision (sec. 545) that would amend the current authority governing admittance of civilians at the Naval Postgraduate School, and create new authority to admit enlisted personnel to the school. Thus, the section would authorize the Secretary of the Navy to admit civilians on a space-available basis, with reimbursement being required either on an in-kind basis or on a cost-reimbursable basis, and would also authorize enlisted members to attend courses on a space-available basis.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would permit enlisted personnel to attend courses on a space-available basis.

Community College of the Air Force (sec. 552)

The House bill contained a provision (sec. 573) that would permit enlisted members of the Army, Navy, or Marine Corps who are assigned as instructors in Air Force technical schools and enlisted students in Air Force training programs to participate in and receive associate degrees through the Community College of the Air Force.

The Senate amendment contained a provision (sec. 522) that would permit enlisted members of the Army, Navy, or Marine Corps who are assigned as instructors in Air Force technical schools to participate in and receive associate degrees through the Community College of the Air Force.

The House recedes with a clarifying amendment.

Preservation of entitlement to educational assistance of members of the Selected Reserve serving on active duty in support of a contingency operation (sec. 553)

The Senate amendment contained a provision (sec. 523) that would ensure that members of the Selected Reserve who are ordered to active duty in support of a contingency operation, and required to discontinue a course of study under the GI Bill benefit, would not have those months charged against their GI Bill entitlement.

The House bill contained no similar provision.

The House recedes.

Part III—Training of Army Drill Sergeants

Reform of Army drill sergeant selection and training process (sec. 556)

The House bill contained a provision (sec. 542) that would require the Secretary of the Army to institute a number of reforms in the processes by which drill sergeants are selected and trained.

The Senate amendment contained no similar provision.

The Senate recedes.

Training in human relations matters for Army drill sergeant trainees (sec. 557)

The House bill contained a provision (sec. 547) that would require the Secretary of the Army to expand the human relations instruction now provided to drill sergeant trainees to at least two days of instruction.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Subtitle F—Commission on Military Training and Gender-Related Issues

Commission on Military Training and Gender-Related Issues (secs. 561-566)

The House bill contained a provision (sec. 541) that would require the establishment of a panel to review the basic training programs of the Army, Navy, Air Force, and Marine Corps, and to make recommendations for improvements to these programs.

The Senate amendment contained a provision (sec. 552) that would establish an 11-member commission to study issues related to gender integration in the military services.

The House recedes with an amendment that would integrate the scope of the independent panel into that of the commission, and reduce the membership of the commission to 10, five of which would be appointed by the chairman and ranking member of the Committee on Armed Services of the Senate and the remaining five appointed by the chairman and ranking member of the National Security Committee of the House of Representatives.

The House bill contained a provision (sec. 548) that would require each of the secretaries of military departments to submit a report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives, within 180 days after the date of enactment, on gender-segregated basic training.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would incorporate the information required by the report into the provision that would establish a commission for review of gender integration in the military departments.

Subtitle G—Military Decorations and Awards

Purple Heart to be awarded only to members of the Armed Forces (sec. 571)

The House bill contained a provision (sec. 552) that would limit eligibility for the award of the Purple Heart to members of the armed forces.

The Senate amendment contained no similar provision.

The Senate recedes.

Eligibility for Armed Forces Expeditionary Medal for participation in Operation Joint Endeavor or Operation Joint Guard (sec. 572)

The House bill contained a provision (sec. 553) that would require the Secretary of Defense to designate participation by service members in Operation Joint Endeavor or Operation Joint Guard in the Republic of Bosnia and Herzegovina as meeting the requirements for award of the Armed Forces Expeditionary Medal.

The Senate amendment contained no similar provision.

The Senate recedes.

Clarification of eligibility of members of Ready Reserve for award of service medal for heroism (sec. 574)

The Senate amendment contained a provision (sec. 531) that would authorize members of the Ready Reserve to be awarded the service medal for heroism on the same basis as active duty service members.

The House bill contained no similar provision.

The House recedes.

One-year extension of period for receipt of recommendations for decorations and awards for certain military intelligence personnel (sec. 575)

The Senate amendment contained a provision (sec. 533) that would extend, by one year, the time in which military intelligence personnel could apply for consideration of an award for service in the Cold War era.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Eligibility of certain World War II military organizations for award of unit decorations (sec. 576)

The Senate amendment contained a provision (sec. 534) that would authorize the service secretaries to award a unit decoration to any unit or other organization of the armed forces of the United States that supported the planning or execution of combat operations during World War II.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Retroactivity of Medal of Honor special pension (sec. 577)

The Senate amendment contained a provision (sec. 535) that would authorize retroactive payment of the special pension to which recipients of the Medal of Honor are entitled to those African-American World War II soldiers who were awarded the Medal of Honor as a result of legislation in the National Defense Authorization Act for Fiscal Year 1996.

The House bill contained no similar provision.

The House recedes.

Subtitle H—Military Justice Matters

Amendments to the Uniform Code of Military Justice (secs. 581 and 582)

The House bill contained two provisions (secs. 569 and 570) that would amend the Uniform Code of Military Justice. Section 569 would authorize a general court-martial to adjudge a sentence of confinement for life without eligibility for parole. Section 570 would limit to the President or the Secretary concerned, without delegation, the authority to grant parole to an offender serving a life sentence on appeal from a denial of parole.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle I—Other Matters

Sexual harassment investigations and reports (sec. 591)

The Senate amendment contained a provision (sec. 553) that would establish rigorous reporting requirements and time lines for completing investigations into allegations of sexual harassment within the armed services.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Sense of the Senate regarding study of matters relating to gender equity in the Armed Forces (sec. 592)

The Senate amendment contained a provision (sec. 551) that would express the sense of the Congress that the Comptroller General of the United States should conduct a study on any inequality, or perception of inequality, in the treatment of men and women in the armed forces and report to Congress within one year of enactment of the National Defense Authorization Act for Fiscal Year 1998.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of the Senate that the Comptroller General of the United States should conduct a study on any inequality, or perception of inequality, in the treatment of men and women in the armed forces and report to the Senate within one year of enactment of the National Defense Authorization Act for Fiscal Year 1998.

Authority for personnel to participate in management of certain non-Federal entities (sec. 593)

The House bill contained a provision (sec. 563) that would authorize service secretaries to approve on a case-by-case basis the limited service of military and civilian personnel as directors, trustees, or officers of a military welfare society, such as Army Emergency Relief, or other designated entities.

The Senate amendment contained a similar provision (sec. 555).

The Senate recedes with an amendment that would require that the approved non-Federal agencies be limited to not-for-profit agencies and would not permit participation as part of the service member's official duties.

The conferees support the participation of military and civilian personnel in the military welfare agencies and other non-Federal, not-for-profit entities without compensation and at no cost to the Federal Government.

Treatment of participation of members in Department of Defense civil military programs (sec. 594)

The House bill contained a provision (sec. 566) that would prohibit the secretary of a military department from requiring or requesting a service member to submit, for consideration by a selection board, evidence of the service member's support and service to non-Department of Defense organizations. In addition, the section would prohibit promotion and selection boards from using involvement in civil-military and community support programs as a special evaluation criteria.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would permit consideration by promotion boards of voluntarily submitted information. The conferees recognize that there are currently precise policies governing communication with and information available to selection boards.

Comptroller General study of Department of Defense civil military programs (sec. 595)

The House bill contained a provision (sec. 565) that would require the Comptroller General to conduct a study to evaluate the civil military programs of the military services.

The Senate amendment contained no similar provision.

The Senate recedes.

Establishment of public affairs specialty in the Army (sec. 596)

The House bill contained a provision (sec. 571) that would establish public affairs as a special branch of the Army.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish a public affairs speciality within the Army.

Grade of defense attaché in France (sec. 597)

The Senate amendment contained a provision (sec. 557) that would require the Secretary of Defense and Chairman of the Joint Chiefs of Staff to ensure that the defense attache in France is an officer who holds or is promotable to the grade of brigadier general or, in the case of the Navy, rear admiral (lower half).

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Report on crew requirements of WC–130J aircraft (sec. 598)

The House bill contained a provision (sec. 564) that would preclude navigator and other manpower requirements of units engaged in eyewall penetration of tropical cyclones from being reduced below the requirements established as of October 1, 1997 until the end of a six-month period after the Secretary of the Air Force reports to the Congress on the manpower requirements for WC–130J aircraft.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would eliminate the prohibition on reducing personnel levels in WC–130J units, and would add a requirement that the Secretary of the Air Force submit a plan to the Congress for assisting personnel in these units transition to other units or job specialities.

Improvement of missing persons authorities applicable to Department of Defense (sec. 599)

The House bill contained a provision (sec. 568) that would restore provisions pertaining to U.S. prisoners of war, those missing in action, and unaccounted for persons, enacted in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) and subsequently repealed by the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201). Specifically, the section would expand the scope of current law by:

(1) Making it applicable to Department of Defense civilians and contractors accompanying armed forces in the field;

(2) Establish a 48-hour suspense for the commander's initial report of a missing person's status;

(3) Require the theater component commander's involvement in the initial assessment of a missing person's status;

(4) Require the status of persons who were last known alive to be reviewed every 3 years for 30 years following initial report;

(5) Re-establish criminal penalties for the knowing and willful withholding of information from a missing person's file;

(6) Restore the requirement that a status review board (when making determinations of death) must provide a description of the location of body, if recovered, and, if the body is not identifiable, a certification by ''a practitioner of an appropriate forensic science that the body recovered is that of the missing person;'' and

(7) Restore the ability of certain persons to request status reviews of a limited number of Korean War cases.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would expand current law:

(1) Making it applicable to certain Department of Defense civilians and contractors in direct support of or accompanying armed forces in the field;

(2) Require that an advisory copy of a missing person report be provided to the theater component commander;

(3) Require that if a body is recovered, and is not identifiable by visual means, a certification by a forensic pathologist that the body recovered is that of the missing person is required before the status may be changed;

(4) For pre-enactment cases, define ''new information'' as information found or received by the primary next of kin, member of the immediate family or a previously designated person or information that is identified in records of the United States that is relevant to the case of one or more unaccounted for persons, and require that such information be credible before a new file is created;

(5) Require that the identity of the counsel for the missing person be made known to the primary next of kin or the previously designated person, and permit the primary next of kin or the previously designated person to provide information to the counsel of the missing person in connection with the initial review board;

(6) Require that an extract of any debriefing report be placed in the file of every missing person mentioned in the report; require that an extract of such debriefing reports be made available to family members of missing persons, or if the reports are withheld, notify the family that such information exists; and

(7) Require that, if as allowed by law, classified information is withheld from the file of a missing person,the notice of that withholding be made reasonably available to the families of the missing person.

LEGISLATIVE PROVISIONS NOT ADOPTED

Time-in-grade requirements for reserve commissioned officers retired during the drawdown period

The House bill contained a provision (sec. 514) that would authorize the secretaries of the military departments to reduce the required time in grade for a reserve officer to retire in the highest grade held from three to not less than two years.

The Senate amendment contained no similar provision.

The House recedes.

Grade requirement for officers eligible to serve on involuntary separation boards

The House bill contained a provision (sec. 516) that would reduce the grade required for officer separation board members in the reserve components from 0–6 and above to 0–5 and above.

The Senate amendment contained no similar provision.

The House recedes.

Study of new decorations for injury or death in line of duty

The House bill contained a provision (sec. 551) that would require the Secretary of Defense, in cooperation with the secretaries of the military departments and the Secretary of the Treasury with regard to the Coast Guard, to determine the appropriate name, policy, award criteria, and design for two new decorations.

The Senate amendment contained no similar provision.

The House recedes.

Suspension of temporary early retirement authority

The House bill contained a provision (sec. 561) that would suspend the authorization for the early retirement program during fiscal year 1998.

The Senate amendment contained no similar provision.

The House recedes.

Recognizing the savings that can be achieved by using this authority early in the year, the conferees reduced the amount authorized to be appropriated to the Air Force for this program by $49.0 million.

Treatment of educational accomplishments of National Guard ChalleNGe program participants

The House bill contained a provision (sec. 562) that would deem a general education diploma certificate achieved as a result of the individual's participation in a National Guard ChalleNGe program the same as a high school diploma for the purpose of determining the eligibility of the person for enlistment in the armed forces.

The Senate amendment contained no similar provision

The House recedes.

Repeal of certain staffing and safety requirements for the Army Ranger Training Brigade

The Senate amendment contained a provision (sec. 524) that would repeal section 4303 of title 10, United States Code, which specified minimum manning levels for the Ranger Training Brigade and required the establishment of training safety cells.

The House bill contained no similar provision.

The Senate recedes.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Pay and Allowances

Increase in basic pay for fiscal year 1998 (sec. 601)

The House bill contained a provision (sec. 601) that would provide a 2.8 percent military pay raise as proposed in the President's budget request.

The Senate amendment contained a provision (sec. 601) that would waive section 1009 of title 37, United States Code, and increase the rates of basic pay for members of the uniformed services by 2.8 percent effective January 1, 1998.

The Senate recedes with a clarifying amendment.

Reform of basic allowance for subsistence (sec. 602)

The House bill contained a provision (sec. 603) that would re-engineer the basic allowance for subsistence (BAS) by providing the Secretary of Defense greater flexibility to continue to pay BAS when rations in kind are available; index the annual growth in the subsistence allowance to increases in the cost of the moderate food plan of the U.S. Department of Agriculture; and repeal the current process of increasing the basic allowance for subsistence at the same rate as the military pay raise.

The Senate amendment contained three provisions (sec. 611–613) that would reform the BAS for all members of the uniformed services by linking the BAS for officers and enlisted members to the Department of Agriculture food plan indexes; provide a transition period during which annual increases in the current enlisted allowance would be limited to one percent until such time as the transition period allowance equals the new Department of Agriculture based allowance; and provide a new, partial subsistence allowance for junior enlisted personnel who are not currently eligible for any subsistence allowance.

The House recedes with an amendment that would merge the provisions into one.

Consolidation of basic allowance for quarters, variable housing allowance, and overseas housing allowances (sec. 603)

The House bill contained a provision (sec. 604) that would consolidate the basic allowance for quarters and the variable housing allowance; would authorize $35.0 million to reduce out-of-pocket housing costs for individuals receiving Basic Allowance for Quarters; would index the annual growth in housing allowances to increases in the national average monthly cost of housing; repeal the current process of increasing the basic allowance for quarters at the same rate as the military pay raise; incorporate the authorities for overseas station housing allowance and family separation housing allowance; and would protect service members from reductions in the rate of overseas station allowance not attributable to fluctuations in foreign currency rates, so long as the member's housing costs have not been reduced.

The Senate amendment contained six provisions (sec. 616, 617, 619–622) that would adopt a single, price-based housing allowance based on a national index of housing costs and authorize a housing allowance that would vary with pay grade and dependency status and would be based on local private sector housing costs.

The Senate recedes with an amendment that would merge the provisions into one, except that the conferees did not agree to authorize $35.0 million to reduce out-of-pocket housing costs.

Revision of authority to adjust compensation necessitated by reform of subsistence and housing allowances (sec. 604)

The Senate amendment contained a provision (sec. 626) that would revise the authority to adjust compensation of uniformed services personnel when federal civilian pay is adjusted.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees direct the Secretary of Defense to study the need for and cost effectiveness of establishing a locality pay system for military personnel that is comparable to the system in place for federal civilian employees, and to report the results of the study to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives, not later than March 31, 1998.

Protection of total compensation of members while performing certain duty (sec. 605)

The House bill contained a provision (sec. 602) that would repeal the legislative link between military and federal civilian pay raises and would require military pay raises to be independently calculated using the Employment Cost Index and would ensure that total pay and allowances of a service member will not be reduced when assigned to field conditions at home station or temporary duty away from home station.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would ensure that the total pay and allowances of a service member will not be reduced when the service member is assigned to field duty at home station or to temporary duty away from home station and would strike the remainder of the provision.

Subtitle B—Bonuses and Special and Incentive Pays

One-year extension of certain bonuses and special pay authorities for reserve forces (sec. 611)

The House bill contained a provision (sec. 611) that would extend the authority for the selected reserve reenlistment bonus, the selected reserve enlistment bonus, the selected reserve affiliation bonus, the ready reserve enlistment and reenlistment bonus, and the prior service enlistment bonus until September 30, 1999.

The Senate amendment contained a provision (sec. 631) that would extend the authority to pay the special pay for critically short wartime health specialists in the Selected Reserve, the Selected Reserve reenlistment bonuses, the Selected Reserve enlistment bonuses, the special pay for enlisted members assigned to certain high priority units in the Selected Reserve, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, the repayment of loans for certain health professionals who serve in the Selected Reserve, and the prior service enlistment bonus until September 30, 1999.

The House recedes with a clarifying amendment.

One-year extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists (sec. 612)

The House bill contained a provision (sec. 612) that would extend the authority for the nurse officer candidate accession program, the accession bonus for registered nurses, and the incentive special pay for nurse anesthetists until September 30, 1999.

The Senate amendment contained a provision (sec. 632) that would extend the authority to pay certain bonuses and special pays for nurse officer candidates, registered nurses, and nurse anesthetists until September 30, 1999.

The Senate recedes.

One-year extension of authorities relating to payment of other bonuses and special pays (sec. 613)

The House bill contained a provision (sec. 613) that would extend the authority for the aviation officer retention bonus, special pay for health care professionals who serve in the selected reserve in critically short wartime specialties, reenlistment bonus for active members, enlistment bonuses for critical skills, special pay for enlisted members of the selected reserve assigned to certain high priority units, special pay for nuclear qualified officers extending the period of active service, and nuclear career accession bonus to September 30, 1999. The provision would also extend the authority for repayment of educational loans for certain health professionals who serve in the selected reserve and the nuclear career annual incentive bonus until October 1, 1999.

The Senate amendment contained a provision (sec. 633) that would extend the authority to pay the aviation officer retention bonus, the reenlistment bonus for active members, the enlistment bonuses for critical skills, the special pay for nuclear qualified officers extending the period of active service, the nuclear career accession bonus, and the nuclear career annual incentive bonus until September 30, 1999.

The Senate recedes with a clarifying amendment.

Increase in minimum monthly rate of hazardous duty incentive pay for certain members (sec. 614)

The House bill contained a provision (sec. 614) that would increase the amount paid to service members engaged in certain hazardous duties to $150 a month; would increase the minimum amount paid to service members engaged in non-aviator aircrew duties and air weapons controller aircrew duties to $150 a month; and would increase the amount paid to service members engaged in free fall parachute jumping to $225 a month.

The Senate amendment contained no similar provision.

The Senate recedes.

To provide for the increases, the conferees recommend an increase of $22.1 million in the military personnel accounts.

Increase in aviation career incentive pay (sec. 615)

The Senate amendment contained a provision (sec. 634) that would increase the aviation career incentive pay for aviators with more than 14 years of service. The recommended provision would be effective October 1, 1998.

The House bill contained no similar provision.

The House recedes with an amendment that would change the effective date to January 1, 1999.

Modification of aviation officer retention bonus (sec. 616)

The Senate amendment contained a provision (sec. 635) that increase the maximum amount of the aviation officer continuation pay from $12,000 to $25,000.

The House bill contained no similar provision.

The House recedes with an amendment that would change the required years of committment to receive a bonus.

Availability of multiyear retention bonus for dental officers (sec. 617)

The House bill contained a provision (sec. 615) that would amend section 301d of title 37, United States Code, to give the Secretary of Defense discretionary authority to provide multi-year contracts to dental officers, particularly critical specialists. These contracts would obligate dentists for up to four years and would enhance retention and management of the dental corps. The provision would require that dentists with a specialty in oral and maxillofacial surgery with at least eight years of service be automatically eligible for these contracts.

The Senate amendment contained a provision (sec. 636) that would authorize multiyear retention bonuses for dental officers similar to those authorized for medical officers.

The Senate recedes.

Increase in variable and additional special pays for certain dental officers (sec. 618)

The House bill contained a provision (sec. 616) that would amend section 302b(a) of title

37, United States Code, to increase special pay for dental officers with eight or more years of service.

The Senate amendment contained a provision (sec. 637) that would increase the amount of the special pay for dental officers of the armed forces and modify the number of years of service required to qualify for certain levels of the special pay.

The Senate recedes.

Availability of special pay for duty at designated hardship duty locations (sec. 619)

The House bill contained a provision (sec. 617) that would authorize a hardship duty pay for service members serving in locations that present quality of life hardships up to a maximum of $300 per month.

The Senate amendment contained no similar provision.

The Senate recedes a clarifying amendment.

Definition of sea duty for purposes of career sea pay (sec. 620)

The House bill contained a provision (sec. 651) that would authorize duty on a ship-based staff to be designated as sea duty for the purpose of qualifying for career sea pay.

The Senate amendment contained no similar provision.

The Senate recedes.

Modification of Selected Reserve reenlistment bonus (sec. 621)

The House bill contained a provision (sec. 618) that would restructure the payment options available to the secretaries of the military departments for the Selected Reserve reenlistment bonus, and would extend the period of eligibility for the bonus from members with less than 10 years total military service to members with less than 14 years service.

The Senate amendment contained a provision (sec. 638) that would provide service secretaries discretionary authority to determine the annual payment amounts for reserve reenlistment bonuses. The initial payment would be limited to not more than one-half of the total bonus. The recommended provision would also permit a member to receive a bonus when electing a three-year term of reenlistment twice in lieu of a single six-year term.

The House recedes with a clarifying amendment.

Modification of Selected Reserve enlistment bonus for former enlisted members (sec. 622)

The House bill contained a provision (sec. 619) that would restructure the payment options available to the secretaries of the military departments for the Selected Reserve enlistment bonus for former enlisted members, and would extend the period of eligibility for the bonus from members with less than 10 years total military service to those with less than 14 years service.

The Senate amendment contained a provision (sec. 639) that would modify the Selected Reserve prior service enlistment bonus to permit a member to receive a bonus for a three-year term of enlistment and a subsequent three-year reenlistment in lieu of a single six-year enlistment option.

The Senate recedes with a clarifying amendment.

Expansion of reserve affiliation bonus to include Coast Guard Reserve (sec. 623)

The House bill contained a provision (sec. 623) that would extend the authority to pay a bonus for separating active duty personnel who agree to serve in a reserve unit to the Coast Guard Reserve.

The Senate amendment contained a similar provision.

The House recedes with a clarifying amendment.

Increase in special pay and bonuses for nuclear-qualified officers (sec. 624)

The Senate amendment contained a provision (sec. 640) that would increase the maximum authorized rate for three nuclear special pays and bonuses for nuclear qualified officers of the Navy.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Provision of bonuses in lieu of special pay for enlisted members extending tours of duty at designated locations overseas (sec. 625)

The House bill contained a provision (sec. 620) that would authorize the payment of a bonus, as an alternative to a monthly special pay, to enlisted members who extend their tours of duty overseas.

The Senate amendment contained a provision (sec. 641) that would authorize the service secretaries to pay a lump sum payment of up to $2,000 per year to qualified enlisted members who extend their duty at designated overseas locations. The recommended provision:

(1) authorizes the service secretaries to fix the rate of payment as of the date of the extension agreement is accepted by the service;

(2) establishes the government's ability to recover payments for which service agreements are not completed; and

(3) removes the entitlement to such payment for those members who elect to receive government-funded rest and recuperative absences or transportation.

The House recedes with a clarifying amendment.

Increase in amount of family separation allowance (sec. 626)

The House bill contained a provision (sec. 621) that would increase the amount of family separation allowance paid to service members to $100 a month.

The Senate amendment contained no similar provision.

The Senate recedes.

To provide for the increase, the conferees agree to authorize an increase of $25.0 million in the military personnel accounts.

Deadline for payment of Ready Reserve muster duty allowance (sec. 627)

The House bill contained a provision (sec. 622) that would authorize the payment of the muster duty allowance not later than 30 days after the service member performs the duty.

The Senate amendment contained a provision (sec. 627) that would repeal the requirement that members of the Ready Reserve be paid for muster duty on or before the date on which they perform the duty, and would require that the allowance be paid on or before, but not later than 30 days following the date on which the duty is performed.

The Senate recedes with a clarifying amendment.

Subtitle C—Travel and Transportation Allowances

Travel and transportation allowances for dependents before approval of member's court-martial sentence (sec. 631)

The House bill contained a provision (sec. 631) that would remove the restrictions on authorizing travel and transportation allowances to a dependent of a service member who receives certain court-martial sentences.

The Senate amendment contained a provision (sec. 662) that would permit the service secretaries to move family members when a crime has been committed by the military sponsor.

The Senate recedes with a clarifying amendment.

Dislocation allowance (sec. 632)

The House bill contained a provision (sec. 632) that would establish grade-based rates for dislocation allowances and would index the annual growth of dislocation allowances to increases in the national average monthly cost of housing.

The Senate amendment contained a provision (sec. 618) that would establish the amount of the dislocation allowance for a service member to be equal to 160 percent of the national average cost of housing determined for members of the same grade and dependency status and for those service members entitled to a second dislocation allowance, the second allowance would be equal to 130 percent of the national average cost of housing determined for members of the same grade and dependency status.

The Senate recedes with an amendment that would merge the provisions into one.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

One-year opportunity to discontinue participation in Survivor Benefit Plan (sec. 641)

The Senate amendment contained a provision (sec. 651) that would permit a participant in the Survivor Benefit Plan to elect to discontinue participation at any time during a one-year period beginning on the second year anniversary of the date on which the member retired.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Time in which change in survivor benefit coverage from former spouse to spouse may be made (sec. 642)

The House bill contained a provision (sec. 641) that would remove the requirement that service members may change the beneficiary for the Survivor Benefit Plan from a former spouse to a spouse within one year of the date of remarriage.

The Senate amendment contained a provision (sec. 652) that would permit a military retiree to change the beneficiary of his or her Survivor Benefit Plan from a former spouse to a current spouse at any time after the retiree remarries.

The House recedes with a clarifying amendment.

Review of Federal former spouse protection laws (sec. 643)

The Senate amendment contained a provision (sec. 1039) that would require the Secretary of Defense to conduct a comprehensive review of the Uniformed Services Former Spouse Protection Act. The review would include other laws affecting federal civil service retirement and current civil practices regarding division of retirement pay or pensions in order to assess whether the Uniformed Services Former Spouse Protection Act should be amended. The recommended provision requires the report to be provided to Congress by September 30, 1999.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the areas to be considered during the review of the Uniformed Services Former Spouse Protection Act.

Annuities for certain military surviving spouses (sec. 644)

The Senate amendment contained a provision (sec. 654) that would authorize an annuity of $165 a month for surviving spouses of former active duty service members who died before March 21, 1974, and were retired from active duty. The recommended provision would also apply to surviving spouses of service members retired from the reserves between September 21, 1972 and October 1, 1978. These surviving spouses, known as ''Forgotten Widows,'' are the survivors of retired military personnel who died before any survivor benefit program was enacted.

The House bill contained no similar provision.

The House recedes.

Administration of benefits for so-called minimum income widows (sec. 645)

The conferees agree to include a provision that would clarify the authority of the Secretary of Veterans Affairs to consolidate certain annuities currently paid by the Secretary of Defense to the widows of military retirees into a single payment.

Subtitle E—Other Matters

Loan repayment program for commissioned officers in certain health professions (sec. 651)

The House bill contained a provision (sec. 652) that would amend chapter 109 of title 10, United States Code, to establish an education loan repayment program for specific health professions.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Conformance of NOAA commissioned officers separation pay to separation pay for members of other uniformed services (sec. 652)

The House bill contained a provision (sec. 653) that would remove the limitations on the amount of separation pay that may be paid to commissioned officers of the National Oceanic and Atmospheric Administration (NOAA) and would exclude that portion of separation pay withheld for income taxes from the amount that must be repaid before becoming eligible for disability payments from the Department of Veterans Affairs. This section would conform the separation pay authority for NOAA commissioned officers with the separation pay authority for members of the armed services.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Eligibility of Public Health Service officers and NOAA commissioned corps officers for reimbursement of adoption expenses (sec. 653)

The House bill contained a provision (sec. 654) that would authorize officers of the Commissioned Corps of the Public Health Service to receive reimbursement for adoption expenses in the same manner as members of the armed forces.

The Senate amendment contained a provision (sec. 663) that would extend the authorization for reimbursement of adoption expenses in effect for the armed forces to the Public Health Service and the National Oceanic and Atmospheric Administration.

The House recedes with a clarifying amendment.

Payment of back quarters and subsistence allowances to World War II veterans who served as guerrilla fighters in the Philippines (sec. 654)

The House bill contained a provision (sec. 655) that would authorize the payment of quarters and subsistence allowances to qualified individuals who served as guerilla fighters during the period from January 1942 through February 1945.

The Senate amendment contained no similar provision.

The Senate recedes.

Subsistence of members of the Armed Forces above the poverty level (sec. 655)

The House bill contained a provision (sec. 657) that would direct the Secretary of Defense to conduct a study of members of the armed forces and their dependents who subsist at, near, or below the poverty line.

The Senate amendment contained a similar provision (sec. 664).

The House recedes with a clarifying amendment.

The conferees do not intend that implementation of this provision would cause current recipients of supplemental food benefits within the United States to be removed from the program. The conferees encourage the committees of jurisdiction to examine the need for a supplemental food program for members of the armed services and eligible civilians living overseas and provide the funding needed to operate the overseas program while sustaining the program within the United States. The conferees note that the Secretary of Defense may use Departement of Defense funds to conduct this program until funding is received from the Secretary of Agriculture.

LEGISLATIVE PROVISIONS NOT ADOPTED

Space available travel for members of Selected Reserve

The House bill contained a provision (sec. 656) that would provide authority for members of the Selected Reserve and their accompanying dependents to receive transportation on Department of Defense aircraft on a space available basis under the same terms and conditions that apply to active duty members of the armed forces and their dependents.

The Senate amendment contained no similar provision.

The House recedes.

Implementation of Department of Defense Supplemental Food Program for military personnel outside the United States

The House bill contained a provision (sec. 658) that would authorize the Secretary of Defense to use operations and maintenance funding to operate the program until funding is received from the Secretary of Agriculture.

The Senate amendment contained a similar provision within section 664.

The House recedes.

Paid-up coverage under Survivor Benefit Plan

The Senate amendment contained a provision (sec. 653) that would terminate Survivor Benefit Plan payments following 30 years of payments and attaining the age of 70.

The House bill contained no similar provision.

The Senate recedes.

TITLE VII—HEALTH CARE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Health Care Services

Expansion of retiree dental insurance plan to include surviving spouse and child dependents of certain deceased members (sec. 701)

The House bill contained a provision (sec. 701) that would amend section 1076c(b)(4) of title 10, United States Code, to allow the survivors of members who died while on active duty to participate in the retiree dental insurance plan.

The Senate amendment contained no similar provision.

The Senate recedes.

Provision of prosthetic devices to covered beneficiaries (sec. 702)

The House bill contained a provision (sec. 702) that would amend section 1077(a) of title 10, United States Code, to allow for prosthetic devices to be provided to CHAMPUS beneficiaries for significant conditions, as determined by the Secretary of Defense.

The Senate amendment contained a similar provision (sec. 707).

The Senate recedes.

Study concerning the provision of comparative information (sec. 703)

The Senate amendment contained a provision (sec. 711) that would require the Secretary of Defense to conduct a study concerning the provision of information to TRICARE beneficiaries and report the results to the Congress.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle B—TRICARE Program

Addition of definition of TRICARE program to title 10 (sec. 711)

The House bill contained a provision (sec. 711) that would amend section 1072 of title 10, United States Code, to include a definition of the TRICARE Program.

The Senate amendment contained no similar provision.

The Senate recedes.

Plan for expansion of managed care option of TRICARE program (sec. 712)

The House bill contained a provision (sec. 712) that would require the Secretary of Defense to prepare a plan for expanding the managed care option of TRICARE—TRICARE Prime—into areas located outside the catchment areas of military treatment facilities where the Department determines it is cost effective to do so.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Subtitle C—Uniformed Services Treatment Facilities

Implementation of designated provider agreements for Uniformed Services Treatment Facilities (sec. 721)

The House bill contained a provision (sec. 721) that would amend section 722(c) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) to clarify the implementation date of the designated provider program of the Uniformed Services Treatment Facilities (USTFs), and allow the USTFs to begin delivery of health care services as a designated provider within six months of signing the new designated provider agreement with the Department of Defense, or upon implementation of TRICARE in the USTFs region, whichever date is later.

The Senate amendment contained a provision (sec. 731) that would clarify the implementation date of the designated provider program of the Uniformed Services Treatment Facilities (USTFs); allow the USTFs to begin delivery of health care services as a designated provider within six months of signing the new designated provider agreement with the Department of Defense, or upon implementation of TRICARE in the USTFs region, whichever date is later; require the Secretary of Defense to submit to binding arbitration; impose limits on contracting out primary care services and permit flexibility on the date on which the uniform benefit must be implemented.

The Senate recedes.

Continued acquisition of reduced-cost drugs (sec. 722)

The House bill contained a provision (sec. 723) that would allow the Uniform Services Treatment Facilities to continue to purchase pharmaceuticals under the preferred pricing levels applicable to government agency purchases.

The Senate amendment contained a similar provision (sec. 733).

The House recedes.

Limitation on total payments (sec. 723)

The House bill contained a provision (sec. 722) that would clarify the limitation on total program payments established in section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

The Senate amendment contained a similar provision (sec. 732).

The House recedes.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Improvements in health care coverage and access for members assigned to certain duty locations far from sources of care (sec. 731)

The Senate amendment contained a provision (sec. 701) that would make active duty service members assigned to certain remote duty locations eligible for health care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), and would direct the secretaries of the military departments to waive the annual fees, deductibles, and copayments associated with CHAMPUS.

The House bill contained no similar amendment.

The House recedes with an amendment that would retain the Senate provision and would direct the Secretary of Defense to improve the supplemental care program consistent with the TRICARE program in order to provide care to active duty personnel who are assigned to duty locations more than 50 miles from a military treatment facility.

Waiver or reduction of copayments under overseas dental program (sec. 732)

The House bill contained a provision (sec. 731) that would amend section 1076a(h) of title 10, United States Code, to waive the dental copayment requirements for family members of active-duty members stationed overseas when they receive host-nation dental care under the Overseas Dental Program.

The Senate amendment contained no similar provision.

The Senate recedes.

Premium collection requirements for medical and dental insurance programs; extension of deadline for implementation of dental insurance program for military retirees (sec. 733)

The House bill contained a provision (sec. 732) that would amend section 1076b(b) and 1076c(c) of title 10, United States Code, to change the premium collection method prescribed for the Selected Reserve Dental Program and the Retiree Dental Program.

The Senate amendment contained a similar provision (sec. 705).

The Senate recedes with an amendment that would modify the date on which the retiree dental plan must be effective.

The conferees continue to insist that the Secretary of Defense provide comprehensive dental insurance programs for the Selected Reserve and for retirees and their families at the lowest possible cost.

The conferees expect the Secretary of Defense to use the allotment or payroll deduction process to the maximum extent possible for dental insurance premium collection. The conferees urge the Secretary to review the feasibility of including electronic funds transfer as an alternative means of premium collection. The conferees expect the Secretary to forward a legislative proposal if it is determined that electronic funds transfer is a viable alternative and that legislation is required to facilitate that method of premium collection.

The conferees urge the Secretary of Defense to develop a regional premium similar to the common practices of the commercial insurance industry to ensure that those who live in low-cost areas do not subsidize those in higher cost areas. The conferees note that it is common commercial practice to limit the availability of certain benefits for some period of time after the beneficiary enrolls in the program, or to require a minimum enrollment period. The conferees urge the Secretary of Defense to consider including these commercial practices in the retiree dental plan.

Dental insurance plan coverage for retirees of the Public Health Service and NOAA (sec. 734)

The Senate amendment contained a provision (sec. 706) that would extend eligibility for the retiree dental plan of the Department of Defense to retirees of the Public Health Service and the National Oceanic and Atmospheric Administration.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Consistency between CHAMPUS and Medicare in payment rates for services (sec. 735)

The House bill contained a provision (sec. 733) that would amend section 1079(h) of title 10, United States Code, to provide for greater consistency between CHAMPUS reimbursement rates for health care services and Medicare reimbursement rates.

The Senate amendment contained no similar provision.

The Senate recedes.

Use of personal services contracts for provision of health care services and legal protection for providers (sec. 736)

The House bill contained a provision (sec. 734) that would clarify that personal services contract employees providing health care services, including fee-basis physicians, are covered by the same malpractice litigation rules as other Department of Defense health care providers and would enable the Secretary of Defense the authority to provide for reasonable attorney's fees in any litigation in which government attorneys do not provide representation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would sunset the provision after one year, would require the Secretary of Defense to report to the Congress on alternative methods to provide medical screening to the Military Entrance and Processing stations, including use of the TRICARE Managed Support contracts and outsourcing, and would extend the authority to the Secretary of Transportation for the Coast Guard.

Portability of State licenses for Department of Defense health care professionals (sec. 737)

The House bill contained a provision (sec. 735) that would amend section 1094 of title 10, United States Code, to authorize members of the armed forces licensed to practice medicine and other health professions to practice such professions in any state, the District of Columbia, or a territory or possession of the United States while performing authorized duties for the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes.

Standard form and requirements regarding claims for payment for services (sec. 738)

The House bill contained a provision (sec. 736) that would amend section 1106 of title 10, United States Code, to eliminate the requirement for non-participating providers who provide services to Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) beneficiaries to submit claims for payment for services on behalf of the beneficiary.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees believe that this provision will improve access to health care by reducing the administrative burden on health care providers which should make providing care under the CHAMPUS system more attractive to these providers. Increasing the number of CHAMPUS providers, especially in rural and under served areas, should enhance the health care options for Department of Defense health care beneficiaries. Beneficiaries who elect to receive care from a non-participating health care provider may have to file a claim for reimbursement from the CHAMPUS system. The conferees note that eliminating the requirement for non-participating providers to submit claims for payment for services on behalf of the beneficiary does not apply to health care providers who participate in the TRICARE network.

Chiropractic health care demonstration program (sec. 739)

The Senate amendment contained a provision (sec. 709) that would increase the number of sites and extend the length of the chiropractic health care demonstration authorized by the National Defense Authorization Act for Fiscal Year 1995.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

SUBTITLE E—OTHER MATTERS

Continued admission of civilians as students in physician assistant training program of Army Medical Department (sec. 741)

The House bill contained a provision (sec. 741) that would amend chapter 407 of title 10, United States Code, to provide permanent authority for a demonstration program established by the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) to allow students from civilian accredited institutions of higher education to attend physician assistant training at the Academy of Health Sciences at Fort Sam Houston, Texas, in return for the provision of certain academic services from the respective civilian institutions.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Payment for emergency health care overseas for military and civilian personnel of the On-Site Inspection Agency (sec. 742)

The House bill contained a provision (sec. 742) that would amend chapter 152 of title 10, United States Code, to authorize the Secretary of Defense to pay for emergency health care services obtained by a military member, civilian employee, or contractor employee of the On-Site Inspection Agency while on permanent or temporary duty in a former Soviet Union or former Warsaw Pact state.

The Senate amendment contained a provision (sec. 702) that would provide authority for the Secretary of Defense to pay for emergency health care costs of military and civilian personnel assigned to the On-Site Inspection Agency, while participating in arms control inspections overseas, from funds available to the On-Site Inspection Agency (OSIA).

The House recedes with a clarifying amendment.

Authority for agreement for use of medical resource facility, Alamogordo, New Mexico (sec. 743)

The Senate amendment contained a provision (sec. 710) that would permit the Secretary of the Air Force to enter into an agreement, the contents of which are specified in the provision, with Gerald Champion Hospital in Alamogordo, New Mexico in which the hospital would provide health care services at a discount, provided that the facility is constructed in part with funds provided by the Secretary of the Air Force.

The House bill contained no similar amendment.

The House recedes with an amendment that would retain the essence of the Senate provision but would require that the funds be provided from Air Force Operations and Maintenance funds; would include additional information in the agreement; and would require the Secretary of Defense to review the proposed agreement and provide comments to the Congress before the agreement could be signed.

Disclosures of cautionary information on prescription medications (sec. 744)

The Senate amendment contained a provision (sec. 703) that would require that each prescription dispensed through the Military Health Care System, including the TRICARE and CHAMPUS programs, be accompanied by information containing cautions about use, possible side effects, and potential negative interaction with food or beverages.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Competitive procurement of certain ophthalmic services (sec. 745)

The House bill contained a provision (sec. 1405) that would require the Secretary of Defense to competitively procure, from the private sector, all ophthalmic services unless it is more cost effective or is necessary to meet readiness requirements to perform these services within the armed services.

The Senate amendment contained no similar provision.

The Senate recedes.

Comptroller General study of adequacy and effect of maximum allowable charges for physicians under CHAMPUS (sec. 746)

The House bill contained a provision (sec. 743) that would require the Comptroller General of the United States to study the adequacy of the CHAMPUS reimbursement rates, and the effect of these rates on the participation of physicians in the CHAMPUS program.

The Senate amendment contained no similar provision.

The Senate recedes.

Comptroller General study of Department of Defense pharmacy programs (sec. 747)

The House bill contained a provision (sec. 744) that would require the Comptroller General of the United States to evaluate the pharmacy programs of the Department of Defense. The required study would examine the merits and feasibility of establishing a uniform formulary for military treatment facility pharmacies and civilian contractor pharmacies.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that the study include a review of the merits and feasibility of using private sector cost control mechanisms and the existence of any barriers to the use of such mechanisms.

Comptroller General study of Navy graduate medical education program (sec. 748)

The House bill contained a provision (sec. 745) that would require the Comptroller General of the United States to evaluate recommendations made by the Medical Education Policy Council of the Navy Bureau of Medicine and Surgery to restructure the Navy's graduate medical education program.

The Senate amendment contained no similar provision.

The Senate recedes.

Study of expansion of pharmaceuticals by mail program to include additional Medicare-eligible covered beneficiaries (sec. 749)

The House bill contained a provision (sec. 746) that would require the Secretary of Defense to provide a report to Congress, within six months of enactment of this Act, on the feasibility, advisability and cost of extending the current mail-order pharmacy program for Medicare-eligible beneficiaries in areas affected by base closures to all Medicare-eligible beneficiaries who do not reside near a military medical treatment facility.

The Senate amendment contained no similar provision.

The Senate recedes.

Comptroller General study of requirement for military medical facilities in the National Capital Region (sec. 750)

The House bill contained a provision (sec. 747) that would require the Comptroller General to conduct a study to evaluate the requirement for Army, Navy, and Air Force medical facilities in the National Capital Region.

The Senate amendment contained no similar amendment.

The Senate recedes.

Report on policies and programs to promote healthy lifestyles for members of the Armed Forces and their dependents (sec. 751)

The Senate amendment contained a provision (sec. 1042) that would require the Secretary of Defense to report to the Congress on the effectiveness of the policies and programs intended to promote healthy lifestyles among members of the armed forces and their families.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Sense of Congress regarding quality health care for retirees (sec. 752)

The Senate amendment contained a provision (sec. 708) that would express the sense of the Congress that the United States has a moral obligation to provide quality health care to military retirees and their families.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle F—Persian Gulf Illness

Plan for health care services for Persian Gulf veterans (sec. 762)

The House bill contained a provision (sec. 752) that would require the Secretary of Defense and the Secretary of Veterans Affairs to prepare a joint plan to provide appropriate health care to Persian Gulf veterans who suffer from a Gulf War illness.

The Senate amendment contained a similar amendment (sec. 752).

The Senate recedes with a clarifying amendment.

Comptroller General study of revised disability criteria for physical evaluation boards (sec. 763)

The House bill contained a provision (sec. 753) that would require the Comptroller General to conduct a study evaluating the revisions made by the Secretary of Defense to the criteria used by Physical Evaluation Boards to set disability ratings for members of the armed forces who are no longer medically qualified for continuaton on active duty.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Medical care for certain reserves who served in Southwest Asia during the Persian Gulf War (sec. 764)

The Senate amendment contained a provision (sec. 704) that would entitle a member of a reserve component who is a Persian Gulf War veteran, registers a symptom or illness in the Persian Gulf War Veterans Health Surveillance System of the Department of Defense, and is not otherwise entitled to medical and dental care from the Military Health Care System to medical and dental care to the same extent and under the same conditions as a member on active duty.

The House bill contained no similar provision.

The House recedes with an amendment that would entitle a member of a reserve component who is a Persian Gulf War veteran, registers a symptom or illness in the Persian Gulf War Veterans Health Surveillance System of the Department of Defense, and is not otherwise entitled to medical and dental care from the Military Health Care System or the Veterans Affairs medical system to medical care to the same extent and under the same conditions as a member on active duty.

Improved medical tracking system for members deployed overseas in contingency or combat operations (sec. 765)

The House bill contained a provision (sec. 754) that would require the Secretary of Defense to establish a system to assess the medical condition of members of the armed forces who are deployed outside the United States as part of a contingency operation.

The Senate amendment contained a similar provision (sec. 753).

The Senate recedes with a clarifying amendment.

Notice of use of investigational new drugs or drugs unapproved for their applied use (sec. 766)

The House bill contained a provision (sec. 757) that would require the Secretary of Defense to notify a member of the armed forces before the member is administered an investigational new drug or a drug unapproved for its applied use.

The Senate amendment contained a similar provision (sec. 756).

The Senate recedes with a clarifying amendment.

Sense of Congress regarding the deployment of specialized units for detecting and monitoring chemical, biological, and similar hazards in a theater of operations (sec. 768)

The House bill contained a provision (sec. 756) that would require the Secretary of Defense to submit a plan to the Congress regarding the deployment of a specialized unit of the armed forces with the capability and expertise to detect and monitor the presence of chemical, biological, and similar hazards.

The Senate amendment contained a similar provision (sec. 755).

The House recedes with an amendment that would express the Sense of Congress that the Secretary of Defense, in conjunction with the Chairman of the Joint Chiefs of Staff, should take such actions as are necessary to ensure that units of the armed forces deployed in a theater of operations for a contingency operation include specialized units with the capability to detect and monitor the presence of chemical, biological, and similar hazards.

Sense of Congress concerning Gulf War illness (sec. 771)

The House bill contained a provision (sec. 760) that would express the sense of the Congress that all promising technology and treatments related to Gulf War illness should be fully explored and tested to facilitate treatment for members of the armed forces who are stricken with Persian Gulf illness.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Medical personnel conscience clause

The House bill contained a provision (sec. 737) that would require the Secretary of Defense to establish a uniform policy with regard to a conscience clause for abortion and family planning services. Under this policy, medical personnel who, for moral, ethical, or religious reasons, object to performing an abortion or to providing family planning services would not be required to perform such procedures unless their refusal to do so poses life-threatening risks to the patient.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that the service policies with regard to conscience clauses should be uniform. The conferees note that the Army has proposed a policy change that would make their policy consistent with that of the other services. Once the change is promulgated, the Secretary of the Army is directed to provide a copy of the regulation to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

ITEMS OF SPECIAL INTEREST

Cost accounting standards board

The conferees believe that much progress has been made over the past several years to bring needed reform and streamlining to the federal acquisition process. However, the conferees note that concerns have been raised that the cost accounting standards governing the allocation of direct and indirect costs on government contracts, as promulgated by the Cost Accounting Standards Board (CAS), are an impediment to acquisition streamlining.

The conferees endorse the House report (H. Rept. 105–132), which requires the General Accounting Office (GAO) to conduct a study that would analyze and assess the mission of the CAS Board. The conferees believe that such a study, in which all views are represented, would help the Congress to determine the best way to balance the interest of taxpayers and the need for greater acquisition streamlining.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

Expansion of authority to enter into contracts crossing fiscal years to all severable service contracts not exceeding a year (sec. 801)

The House bill contained a provision (sec. 802) that would broaden the current limited authority of the Department of Defense to expend appropriated funds for severable service contracts that cross fiscal years.

The Senate amendment contained a similar provision (sec. 803).

The House recedes with an amendment clarifying that the current authority of the Coast Guard to expend funds for such contracts is intended to be unaffected by the provision.

The conferees direct that the Secretary of Defense review the Department's operations under this provision and no later than 30 days after the end of both fiscal years 1998 and 1999 submit reports to the congressional defense committees containing the following information for each fiscal year:

(1) the total amount and sources of funds obligated under the provision;

(2) the types of services procured under the provision;

(3) when the services were ordered and when provided; and

(4) the reasons in each case why the authority under the section was required to be used.

A copy of each report shall be provided simultaneously to the Comptroller General.

No later than 180 days after receipt of the report of the Department of Defense for fiscal year 1999, the Comptroller General shall submit a report to the congressional defense committees addressing:

(1) any abuses of the provision, such as efforts to circumvent year-end spending limitations; and

(2) recommendations for legislative or administrative changes to the authority under the section that the Comptroller General may believe to be appropriate.

Vesting of title in the United States under contracts paid under progress payment arrangements or similar arrangements (sec. 802)

The House bill contained a provision (sec. 803) that would establish in statute the title vesting provisions currently used by the Department of Defense in contractual agreements involving certain forms of contract financing.

The Senate amendment contained a similar provision (sec. 812).

The House recedes.

Restriction on undefinitized contract actions (sec. 803)

The House bill contained a provision (sec. 804) that would add disaster relief, humanitarian, and peacekeeping operations to the types of operations for which the head of an agency may waive limitations on the use of undefinitized contracts.

The Senate amendment contained a similar provision (sec. 802).

The House recedes.

Limitation and report on payment of restructuring costs under defense contracts (sec. 804)

The House bill contained a provision (sec. 805) that would codify in title 10, United States Code, the policy restrictions in section 8115 of the Omnibus Appropriations Act for Fiscal Year 1997 (Public Law 104–208) relating to the allowability of restructuring costs under defense contracts. The House provision would also consolidate the requirements of section 818 of the National Defense Authorization Act for Fiscal Year 1995 (Public 103–337) into a codifed provision.

The Senate amendment contained a provision (sec. 841) that would extend for two years the reporting requirements under section 818 and would require a report from the General Accounting Office on the effects of defense business combinations on competition and on contract weapon system prices.

The House recedes with an amendment combining the two provisions.

Multiyear procurement contracts (sec. 806)

The House bill contained a provision (sec. 807) that would provide that no future multiyear procurement contract may be entered into by the Secretary of Defense unless such contract is specifically authorized by law in an act other than an appropriations act. The House provision would also codify various requirements that the Secretary of Defense must meet in order to enter into or to terminate a multiyear procurement contract.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the requirement that future multiyear procurement contracts be authorized in law to contracts in amounts over $500.0 million.

Audit of procurement of military clothing and clothing-related items by military installations in the United States (sec. 807)

The House bill contained a provision (sec. 810) that would require the Department of Defense Inspector General to carry out a random audit of procurements of goods by the military installations in fiscal years 1996 and 1997 to determine the extent to which such installations procured goods made in countries other than the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the audit to a determination of the extent to which military installations procured military clothing and clothing-related items in procurements above $2,500 in violation of the Buy American Act.

Limitation on allowability of compensation for certain contractor personnel (sec. 808)

The Senate amendment contained a provision (sec. 804) that, for the purpose of determining the allowability of costs under section 2324 of title 10, United States Code, and section 306 of the Federal Property and Administrative Services Act of 1949, would:

(1) limit the reimbursement of senior executive salaries to the median of salary of senior executives in all public corporations with annual sales in excess of $50.0 million, regardless of the size of the company;

(2) define executive compensation to include the total amount of wages, salary, bonuses, and deferred compensation that is recorded in the contractor's cost accounting records for the year; and

(3) apply the limitations applicable to the five most highly-paid executives of a contractor, or any division of a contractor.

The House bill contained no similar provision.

The House recedes with an amendment that would provide that the limitation applies to costs incurred after January 1, 1998. In addition to making other clarifying changes, the amendment would also provide that no other limitation on the reimbursement of senior executive salaries covered under this section shall apply after that date.

Elimination of certification requirement for grants (sec. 809)

The Senate amendment contained a provision (sec. 807) that would eliminate the drug-free workplace certification requirements in relation to federal grants in a similar manner provided for federal contracts in section 4301(a)(3) of the National Defense Authorization Act for Fiscal Year 1996.

The House bill contained no similar provision.

The House recedes.

The conferees strongly support the continued requirement that persons accept and enforce the drug-free workplace laws as a condition for the award of a contract or grant with a federal agency.

Repeal of limitation on adjustment of shipbuilding contracts (sec. 810)

The Senate amendment contained a provision (sec. 808) that would repeal section 2405 of title 10, United States Code, and apply the current six-year limitation for the submission of claims in the Contract Disputes Act as the sole limitation on shipbuilding claims. The House bill contained no similar provision.

The House recedes.

Item-by-item and country-by-country waivers of domestic source limitations (sec. 811)

The House bill contained a provision (sec. 801) that would require the Secretary of Defense to apply the waiver authority with respect to section 2534 of title 10, United States Code only on a case-by-case basis on specific procurements.

The Senate amendment contained a provision (sec. 809) that would provide the Secretary of Defense with blanket waiver authority for the domestic source restrictions in section 2534.

The Senate recedes with an amendment that would provide the Secretary with the authority to grant waivers to the restrictions in section 2534 for a particular item and a particular foreign country. Each such waiver would be effective for up to one year, as determined by the Secretary. The provision would require the Secretary, 15 days before the effective date of a waiver, to notify the congressional defense committees and to publish in the *Federal Register* a notice of the determination to exercise the waiver.

Subtitle B—Acquisition Assistance Programs

One-year extension of pilot mentor-protégé program (sec. 821)

The Senate amendment contained a provision (sec. 822) that would extend the period in which mentor firms may incur costs for furnishing developmental assistance under the Department of Defense mentor-protégé program until September 30, 2000. The provision would also extend the period during which new agreements under the program may be entered into until September 30, 1999.

The House bill contained no similar provision.

The House recedes with an amendment that would require the General Accounting Office to review the implementation of the mentor-protégé program and report on the extent to which the program is achieving the purposes established under this section.

The conferees intend to use the results of this report in reassessing the long-term viability of the mentor-protégé program during the next legislative cycle.

Test program for negotiation of comprehensive subcontracting plans (sec. 822)

The Senate amendment contained a provision (sec. 823) that would extend from September 30, 1998 to September 30, 2000 the expiration date for the current test program for negotiating comprehensive subcontracting plans with Department of Defense (DOD) contractors. The provision would also address participating contractors acting as subcontractors under a DOD prime contract by allowing them to include their major subcontracts within their subcontracting plans.

The House bill contained no similar provision.

The House recedes.

The conferees believe that the DOD should expand the program in a manner that would encourage prime contractors to enter the program on a plant or facility basis.

Subtitle C—Administrative Provisions

Retention of expired funds during the pendency of contract litigation (sec. 831)

The Senate amendment contained a provision (sec. 831) that would permit federal agencies to retain amounts collected pursuant to the Contract Disputes Act of 1978 to satisfy a settlement reached between parties or a judgment rendered in favor of a contractor through the Federal Courts or the Armed Services Board of Contract Appeals. The provision would also require the Comptroller of the Department of Defense to provide an annual report to Congress on the amounts available for obligation under the authority of this provision.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the authority under the provision to the military services and defense agencies, as well as make other clarifying changes.

Protection of certain information from disclosure (sec. 832)

The Senate amendment contained a provision (sec. 832) that would amend section 2371 of title 10, United States Code, to clarify that certain information submitted by outside parties in transactions governed by the authority under that section is protected from disclosure under section 552 of title 5, United States Code.

The House bill contained no similar provision.

The House recedes.

Unit cost reports (sec. 833)

The Senate amendment contained a provision (sec. 834) that would eliminate duplicative reporting requirements on unit costs of major defense acquisition programs.

The House bill contained no similar provision.

The House recedes.

Plan for providing contracting information to general public and small business (sec. 834)

The Senate amendment contained a provision (sec. 835) that would require the Under Secretary of Defense (Acquisition and Technology) to designate an official in his office to serve as a central point of contact for persons seeking information about how and where to respond to contract solicitations, procedures for being included on approved suppliers lists, and other contracting information.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to develop a plan for improving the responsiveness of the Department of Defense to persons from the general public and small businesses seeking information on contracting and technology development opportunities with the Department of Defense. Such plan is to include an assessment of the designation of a single point of contact within the Office of the Secretary of Defense for that purpose.

Two-year extension of crediting of certain purchases toward meeting subcontracting goals (sec. 835)

The conferees agree to include a provision that would extend for an additional two years the authority to credit purchases from qualified nonprofit agencies for the blind or other severely handicapped toward meeting subcontracting goals of defense contractors.

Subtitle D—Other Matters

Repeal of certain acquisition requirements and reports (sec. 841)

The House bill contained a provision (sec. 821) that would repeal a number of miscellaneous acquisition reporting requirements.

The Senate amendment contained similar repeals (secs. 801 and 833).

The Senate recedes with an amendment that would combine certain elements from both provisions.

Use of major range and test facility installations by commercial entities (sec. 842)

The House bill contained a provision (sec. 822) that would amend section 2681 of title 10, United States Code, to delay for two years the expiration of existing authority allowing the Department of Defense test and evaluation facilities to make excess capacity available to the commercial sector.

The Senate amendment contained a similar provision (sec. 232) that would delay the expiration of the authority in section 2681 for three years.

The House recedes with an amendment that would delay the expiration of the authority for four years.

Requirement to develop and maintain list of firms not eligible for defense contracts (sec. 843)

The House bill contained a provision (sec. 823) that would amend section 2327 of title 10, United States Code, to require the Secretary of Defense to develop and maintain a list of all firms and subsidiaries of firms that, for the preceding five years, have been prohibited from entering into contracts with the Department of Defense because of substantial ownership by a foreign government supporting acts of international terrorism. The House provision would also prohibit defense contractors from providing any equipment, parts, or services to the Department of Defense from such listed firms.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would allow individuals to request the Secretary of Defense to have firms included on the list. The provision would also exclude listed firms from receiving subcontracts under contracts with the Department of Defense in a manner similar to firms that are suspended or debarred under subpart 9.4 of the Federal Acquisition Regulation.

Sense of Congress regarding allowability of costs of employee stock ownership plans (sec. 844)

The House bill contained a provision (sec. 824) that would prohibit the Secretary of Defense from making a determination of the allowability of costs of employee stock ownership plans (ESOP), in accordance with a rule that had been proposed and withdrawn in prior years.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the Defense Contract Audit Agency (DCAA) should not disallow interest costs associated with ESOPs incurred before January 1, 1994. It also states that the Department of Defense should not disallow costs related to ESOP debt, control premiums, or marketability discounts associated with the valuation of ESOP stock of closely held companies that were incurred before January 1, 1995.

The conferees have been informed that retroactive application of changes to DCAA policy on these issues could have severe economic consequences for ESOP defense contractors. Therefore, the conferees have included a provision that would address retroactivity. The provision is not intended to pass judgment on the changes. The conferees do not intend that the provision supercede any agreement that a contractor may have entered into with the Department of Defense that provides for a different treatment of ESOP costs.

The conferees understand that a number of other federal agencies may have an interest in the accounting rules applicable to ESOP costs. The conferees direct the Secretary to consult with the Office of Management and Budget, the General Accounting Office, and accounting experts in such other federal agencies to determine whether a consistent, government-wide approach to the relevant accounting and policy issues can be developed. Any interagency process addressing these issues should provide for public comment.

Expansion of personnel eligible to participate in demonstration project relating to acquisition workforce (sec. 845)

The House bill contained a provision (sec. 825) that would expand the personnel eligible to participate in the workforce demonstration project authorized in section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit to 95,000 the total number of persons who may participate in the demonstration project.

Time for submission of annual report relating to Buy American Act (sec. 846)

The House bill contained a provision (sec. 826) that would reduce the time for the Department of Defense to prepare and submit the annual report relating to the Buy American Act required under section 827 of the National Defense Authorization Act for Fiscal Year 1997 from 120 to 60 days after the end of each fiscal year.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a report 90 days after the end of each fiscal year.

Repeal of requirement for contractor guarantees on major weapon systems (sec. 847)

The House bill contained a provision (sec. 1503) that would repeal section 2403 of title 10, United States Code, requiring the Secretary of Defense to obtain contractor guarantees on major weapon systems contracts.

The Senate amendment contained a provision (sec. 811) that would modify the requirements in section 2403 to provide flexibility to the Secretary of Defense and the secretaries of the military services to decide the appropriate use of such contractor guarantees.

The Senate recedes.

The conferees direct the Secretary of Defense to issue regulations to ensure that program managers actively and thoroughly examine the value and utility of contractor guarantees on major systems and pursue such guarantees where appropriate and cost effective.

Requirements relating to micro-purchases (sec. 848)

The House bill contained a provision (sec. 1504) that would require the use of micro-purchase methods for contracts below the micro-purchase threshold unless a member of the Senior Executive Service or a general or flag officer makes a written determination that such procedures should not apply for specified reasons.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to ensure that 60 percent of all eligible purchases of goods or services for an amount less than the micro-purchase threshold will be made through streamlined micro-purchase procedures by October 1, 1998 and that 90 percent of such purchases be made through streamlined procedures by October 1, 2000. The provision would require the Secretary of Defense to define ''eligible purchases'' for the purposes of this requirement and to exclude those categories of purchases determined not to be appropriate or practicable for streamlined micro-purchase procedures. The provision would also require the Secretary of Defense to provide a plan implementing the requirements under this section by March 1, 1998, and to annually report through March 1, 2001 on procurement actions by the Department of Defense for amounts less than the micro-purchase threshold.

Promotion rate for officers in an acquisition corps (sec. 849)

The Senate amendment contained a provision (sec. 843) that would require the Under Secretary of Defense for Acquisition and Technology to report annually through October 1, 2000 on the extent to which each military service is complying with promotion opportunity requirement in section 1731(b) of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

Use of electronic commerce in federal procurement (sec. 850)

The Senate amendment contained a provision (sec. 844) that would allow federal agencies greater flexibility in implementing uniformly the electronic commerce capability requirements in the Federal Acquisition Streamlining Act of 1994.

The House bill contained no similar provision.

The House recedes with an amendment that would require the heads of agencies to give due consideration to the use or partial use of existing electronic commerce systems, such as the Federal Acquisition Computer Network (FACNET), before developing new systems using this authority. The amendment would also require the Administrator for Federal Procurement Policy to submit annual reports to the Congress detailing progress made in implementing this section.

Conformance of policy on performance based management of civilian acquisition programs with policy established for defense acquisition programs (sec. 851)

The Senate amendment contained a provision (sec. 845) that would conform the policy on performance based management of civilian acquisition programs with the similar policy applicable to defense acquisition programs under the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355).

The House bill contained no similar provision.

The House recedes.

Modification of process requirements for the solutions-based contracting pilot program (sec. 852)

The Senate amendment contained a provision (sec. 846) that would amend the solutions-based contracting pilot program established in section 5312 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106).

The House bill contained no similar provision.

The House recedes.

Guidance and standards for defense acquisition workforce training requirements (sec. 853)

The Senate amendment contained a provision (sec. 847) that would extend for an additional two years the authority of the Department of Defense to use alternative fulfillment standards for purposes of the training requirements in the Defense Acquisition Workforce Improvement Act (title XII of Public Law 101–510).

The House bill contained no similar provision.

The House recedes with an amendment that would direct the Secretary of Defense to develop appropriate guidance and standards to ensure that the Department will continue to contract out the training of acquisition personnel in appropriate cases while maintaining necessary control over the content and quality of such training.

Study and report to Congress assessing dependence on foreign sources for resistors and capacitors (sec. 854)

The House bill contained a provision (sec. 1061) that would require the Secretary of Defense to conduct a study of the capacitor and resistor industries in the United States to determine the importance of the industry to national security and the impact on the industry of the removal of tariffs under the Information Technology Agreement.

The Senate amendment contained a similar provision (sec. 1048).

The House recedes with an amendment.

The conferees believe that, in preparing the study, the Secretary of Defense should consider industries involved with the development and manufacture of the full spectrum of capacitors and resistors, including fixed resistors, wirewound resistors, film resistors, solid tantalum capacitors, multilayer ceramic capacitors, wet tantalum capacitors, disc ceramic capacitors, aluminum electrolytic capacitors, film capacitors, and oil-filled capacitors.

Department of Defense and Federal Prison Industries joint study (sec. 855)

The Senate amendment contained a provision (sec. 848) that would require the Department of Defense (DOD) and Federal Prison Industries (FPI) to jointly conduct a study of the existing procedures that govern procurement transactions between DOD and FPI, and to make recommendations to improve the efficiency and reduce the cost of such transactions.

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Domestic source limitation amendments

The House bill contained a provision (sec. 808) that would amend section 2534 of title 10, United States Code, to add shipboard work stations to the list of naval vessel components required to be procured from domestic sources. The provision would also make permanent the expired requirement to procure certain valves and machine tools from domestic sources.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of expiration of domestic source limitation for certain naval vessel propellers

The House bill contained a provision (sec. 809) that would amend section 2534 of title 10, United States Code, to make the existing limitation on the procurement of naval vessel propellers permanent.

The Senate amendment contained no similar provision.

The House recedes.

Availability of simplified procedures to commercial item procurements

The House bill contained a provision (sec. 1505) that would revise the authority in section 2304 of title 10, United States Code, and in section 303 of title 41, United States Code, to test simplified procedures for commercial item procurements. The provision would allow such test procedures to be used in cases where a contracting officer reasonably expects that offers will include other than commercial items.

The Senate amendment contained no similar provision.

The House recedes.

Price preference for small and disadvantaged businesses

The Senate amendment contained a provision (sec. 824) that would condition the use of the 10 percent price preference in section 2323 of title 10, United States Code, on the failure of the Department of Defense to meet in the prior fiscal year the five percent goal specified in section 2323.

The House bill contained no similar provision.

The Senate recedes.

The Senate conferees intend to review the need for continuing the price preference authority during hearings next year and may include in a future defense bill a provision similar to that contained in the Senate amendment.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Department of Defense Positions and Organizations and Other General Matters

Assistants to the Chairman of the Joint Chiefs of Staff for National Guard matters and for Reserve matters (sec. 901)

The Senate amendment contained a provision (sec. 905) that would establish the position of Senior Representative of the National

Guard Bureau in the grade of general and would add this position as a member of the Joint Chiefs of Staff.

The House bill contained no similar provision.

The House recedes with an amendment that would establish two positions on the Joint Staff. There would be an Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters and an Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters. These positions would be established in the grade of major general, or in the case of the Navy, rear admiral. The provision would establish the term of office as two years and incumbents may be reappointed for one additional term. In time of war, the term limit would be suspended.

The provision would establish a procedure for appointing the Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters in which the Governors would recommend National Guard officers to fill the position. The conferees appreciate the necessity for the Governors to participate in the selection process for this important position. The procedure for appointing the Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters requires the secretaries of the military departments to recommend officers from their respective reserve force. As in the case of the National Guard, the conferees believe that the participation of the secretaries of the military departments is an essential element of the selection process for the Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters.

The conferees recognize that there currently is a Reserve Mobilization Assistant position, filled by a National Guard major general, assigned to the Office of the Director of the Joint Staff. The conferees established the two new positions in lieu of the current position to ensure that the Chairman and the Joint Staff have the benefit of the best advice with regard to all the reserve forces, in particular as it pertains to their unique capabilities and requirements.

The conferees urge the Chairman of the Joint Chiefs of Staff to ensure that these assistants have access to the Joint Staff and that they are included in discussions pertaining to resource matters, employment of National Guard or reserve forces, and war plans. The conferees expect that the Secretary of Defense and the Chairman of the Joint Chiefs will ensure that these assistants are able to participate, at the appropriate level, in the Defense Resources Board.

The provision would also require that the Secretary of Defense, in consultation with the Chairman, develop appropriate guidance to ensure that the level of reserve component officer representation on the Joint Staff is commensurate to the significant and important role assigned to reserve components in the total force. The conferees are convinced that reserve component officers are an excellent resource of expertise and experience that would add a valuable perspective to the increasingly complex mission of the Joint Staff.

The conferees note that the requirements of this provision are intended to be implemented within the clearly established principles of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99–433), which vests the Chairman with unequivocal control over the selection and management of all officers assigned to the Joint Staff. While the conferees find it appropriate to establish these two positions to ensure that advice on reserve component matters provided to the Chairman is of the highest quality and value, in no way are these positions intended to operate independently from or in conflict with the direction of the Chairman.

The common purpose of protecting U.S. national security interests must remain the paramount concern for all components of the total force. The mission must not be undermined by continued feuding over resources, bureaucratic standing, and attempts to enhance political equities. The conferees are dismayed and frustrated with the animosity and mistrust that exists between the Army and the National Guard. The conferees expect the Secretary of Defense, the Secretary of the Army, and the Chief of Staff of the Army to work with the Chief of the National Guard Bureau and The Adjutants General to resolve the divisive sentiments and suspicion that exists on both sides. The Secretary of Defense must ensure that the Secretary of the Army does not treat the National Guard in a cavalier manner, ignoring valid requirements and intentionally under-resourcing the National Guard, with the assumption that Congress will make up the shortfalls. The National Guard must work within the existing systems and processes to ensure that National Guard units are able to complement the active force and are ready to meet the wartime or contingency requirements they may be deployed to meet.

Use of CINC Initiative Fund for force protection (sec. 902)

The Senate amendment contained a provision (sec. 903) that would provide the commanders-in-chief (CINCs) with the authority to utilize funding from the CINC Initiative Fund to provide for any force protection requirements that emerge in their respective areas of operation.

The House bill contained no similar provision.

The House recedes.

Revision to required frequency for provision of policy guidance for contingency plans (sec. 903)

The House bill contained a provision (sec. 906) that would amend section 113(g)(2) of title 10, United States Code, to permit policy guidance for contingency plans to be given every two years or more frequently, as needed, rather than annually.

The Senate amendment contained no similar provision.

The Senate recedes.

Annual justification for Department of Defense advisory committees (sec. 904)

The House bill contained a provision (sec. 1508) that would terminate existing advisory committees, would prohibit any future advisory committee, board, or commission, unless established in law, and would require the Secretary of Defense to submit an annual report justifying any advisory committee the Secretary proposes to support in the next fiscal year.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to submit an annual report justifying any advisory committee the Secretary proposes to support in the next fiscal year.

Defense Airborne Reconnaissance Office (sec. 905)

The House bill contained a provision (sec. 907) that would terminate the Defense Airborne Reconnaissance Office (DARO) and transfer its oversight responsibilities to the Defense Intelligence Agency (DIA).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would transfer the airborne reconnaissance systems acquisition and program management responsibilities from the DARO and the unmanned aerial vehicle joint program office (UAV JPO) back to the military services and retains Office of the Secretary of Defense (OSD)—level oversight responsibilities for airborne reconnaissance architecture determination and systems interface requirements within the DARO. The conferees direct the Secretary of Defense to ensure that the Task Force on Defense Reform makes specific recommendations for the distribution of authority to carry out legitimate management oversight responsibilities for airborne reconnaissance programs within the OSD and the UAV JPO. The conferees do not intend to make any changes within the cruise missile activities of the UAV JPO. The conferees understand that a principal focus of the Task Force is ensuring that program management-like responsibilities within OSD are shifted to the Service or Defense Agencies. The conferees expect that the Task Force recommendations will address this specific issue, as well as the appropriate organizational relationships for overseeing airborne reconnaissance programs within OSD.

The conferees agree with the concerns that led to the House provision. The congressional defense committees have repeatedly stated concerns with respect to both manned and unmanned airborne reconnaissance, yet there has been little improvement noted. The conferees note the Hicks & Associates report, which recommends that the OSD should focus ''exclusively on top leadership and management tasks, assigning program management and execution tasks and lower priority tasks elsewhere in DOD.'' This report goes on to say that ''OSD is a staff and advisory component . . .'' that should divest itself of hands-on management. The conferees agree.

The conferees believe there is a very different environment with respect to joint operations and developments in the Pentagon today than existed when the Congress first directed creation of the DARO in 1993. The changes include: strengthened oversight by the Joint Requirements Oversight Council (JROC); the Chairman of the JROC (or the Director for Force Structure, Resources, and Assessment) participation as a member of the Defense Acquisition Board, and the Defense Airborne Reconnaissance Steering Committee to monitor joint reconnaissance issues. The conferees believe this senior oversight can provide sufficient direction, control, and monitoring of service efforts to ensure joint interoperability of reconnaissance systems.

The conferees also believe that there should be a coordinating management function within OSD specifically charged with oversight of service airborne reconnaissance systems and their development. Whatever the final repository of the airborne reconnaissance management oversight function within the OSD organization, the conferees intend that the responsibilities of the position be limited to coordinating budget developments, ensuring adherence to standards and interoperability requirements, and avoiding unnecessary duplication of effort. The conferees believe that:

(1) a streamlined DARO can provide the proper OSD management oversight, coupled with the necessary JROC requirements direction, while devolving the authorities and responsibilities for equipping the military forces to the services; and

(2) legitimate management oversight does not include either controlling execution year obligation of operations and maintenance funding, or acting as the acquisition agent for airborne reconnaissance systems.

The conferees direct the Secretary of Defense to provide the Congress with a plan to implement the directed reorganization and transfers of authority, based on the Task Force report, no later than March 1, 1998. The conferees direct the Secretary to complete implementation of the plan not later than September 30, 1998.

Termination of Armed Services Patent Advisory Board (sec. 906)

The House bill contained a provision (sec. 1506) that would terminate the Armed Services Patent Advisory Board and transfer the functions of the board to the Defense Technology Security Administration.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees direct the Department of Defense to provide adequate staff resources to the Defense Technology Security Agency to support the functions of the agency including those transferred from the Armed Services Patent Advisory Board under this provision.

Coordination of Department of Defense criminal investigations and audits (sec. 907)

The House bill contained a provision (sec. 1507) that would create two new statutory boards in the Department of Defense: a Board on Criminal Investigations, consisting of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence and the heads of the three military criminal investigative organizations; and a Board on Audits, consisting of the Under Secretary of Defense (Comptroller), the Auditors General of the military departments, and the Director of the Defense Contract Audit Agency. The Department of Defense Inspector General would be a nonvoting member of both boards. These boards would be charged with providing for cooperation among the military departments' criminal investigative and audit organizations to avoid duplication of effort and maximize resources.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the heads of the military departments' criminal investigative and auditing organizations to take such actions as may be practicable to conserve limited resources by sharing personnel, expertise, infrastructure, training, equipment, software, and other resources. These officials are to meet on a regular basis to determine the manner and extent to which such resources will be shared. The Secretary of Defense shall submit, by December 31, 1997, a plan to maximize the resources available to these organizations.

This provision is not intended to affect the responsibility of the Under Secretary of Defense (Comptroller); the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence; or the secretaries of the military departments for determining resource allocation and related policies for audit and investigative organizations in the Department of Defense. In addition, it is not intended to affect the existing authority of the Inspector General of the Department of Defense regarding the coordination of audit and investigative functions within the Department of Defense.

Subtitle B—Department of Defense Personnel Management

Reduction in personnel assigned to management headquarters and headquarters support activities (sec. 911)

The House bill contained a provision (sec. 1301) that would require the Secretary of Defense to reduce the number of personnel assigned to management headquarters and headquarters support activities by 25 percent over four years.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a 25 percent reduction in the number of personnel assigned to management headquarters and headquarters support activities over five years, would direct a five percent reduction in the number of personnel assigned to management headquarters and headquarters support activities during fiscal year 1998, would direct a five percent reduction in the number of personnel assigned to management headquarters and headquarters support activities within the United States Transportation Command during fiscal year 1998, and would direct the Secretary of Defense to require the Task Force on Defense Reform to include an examination of the missions, functions, and responsibilities of various headquarters activities and management headquarters support activities and to submit a report on the results of the examination by the Task Force on Defense Reform to the Congress not later than March 1, 1998.

The conferees intend that the reductions in the United States Transportation Command made during fiscal year 1998 count towards the aggregate Department-wide reduction of five percent.

Additional reduction in defense acquisition workforce (sec. 912)

The House bill contained a provision (sec. 1302) that would mandate a reduction in the size of the defense acquisition workforce by 124,000 individuals by October 1, 2001. The provision would require a phased implementation of the reduction and include a requirement to reduce the size of the workforce by 40,000 individuals in fiscal year 1998.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a reduction of 25,000 in the number of defense acquisition personnel positions in fiscal year 1998. The provision would provide authority for the Secretary of Defense to waive up to 15,000 of that number based on a determination that a greater reduction would be inconsistent with cost-effective management of the defense acquisition system to obtain best value equipment and would adversely affect military readiness. The provision would also require a report on the reduction in the number of acquisition positions in the Department of Defense since 1989 and a definition of the defense acquisition workforce that can be uniformly applied throughout the Department of Defense. With regard to the definition, the conferees are encouraged by the foundational analysis of the issue recently completed for the Department of Defense by an outside contractor.

The provision would also require a review of acquisition organizations and functions by both the Secretary of Defense and the Task Force on Defense Reform. The conferees expect that these reviews will be conducted in a thorough manner and that the reports by the Secretary of Defense on these reviews will be submitted to Congress in a timely fashion.

Subtitle C—Department of Defense Schools and Centers

Professional military education schools (sec. 921)

The House bill contained a provision (sec. 902) that would modify the definition of the National Defense University by adding the Information Resources Management College, and would also clarify the authority of the Secretary of Defense to hire professors, lecturers, and instructors for the Information Resources Management College.

The Senate amendment contained a provision (sec. 902) that would designate the Information Resources Management College as a component of the National Defense University. The recommended provision would also make a technical change to the name of the Institute for National Strategic Study to read the Institute for National Strategic Studies, and would include the Marine Corps University among professional military education schools.

The House recedes with an amendment that would meld the two provisions into one.

Center for Hemispheric Defense Studies (sec. 922)

The Senate amendment contained a provision (sec. 906) that would include the Center for Hemispheric Defense Studies as a component of the National Defense University.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Correction to reference to George C. Marshall European Center for Security Studies (sec. 923)

The Senate amendment contained a provision (sec. 1106) that would permit employees of the George C. Marshall European Center for Security Studies to qualify for naturalization by waiving the permanent residency requirements.

The House bill contained no similar provision.

The House recedes with an amendment that would provide employees of the George C. Marshall European Center for Security Studies the same status as was provided for employees of the United States Army Russian Institute, the former name of the George C. Marshall Center. The amendment would not waive the permanent residency requirements.

Subtitle D—Department of Defense Intelligence-Related Matters

Transfer of certain military department programs from TIARA budget aggregation (sec. 931)

The Senate amendment contained a provision (sec. 904) that would transfer specified programs from the Tactical Intelligence and Related Activities (TIARA) aggregation to other accounts of the military services.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) retain the directed TIARA program transfers as specified in the original Senate provision; (2) require an assessment by the Secretary of Defense as to the adequacy and currency of current criteria for judging which programs belong in the TIARA aggregation; and (3) provide the Secretary with discretion to defer any directed transfer based on the outcome of his assessment.

Report on coordination of access of commanders and deployed units to intelligence collected and analyzed by the intelligence community (sec. 932)

The Senate amendment contained a provision (sec. 1061) that would require the Secretary of Defense to report to the Congress regarding the specific steps taken or that are being taken to ensure adequate coordination of operational intelligence support for combatant commanders and deployed units.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Protection of imagery, imagery intelligence, and geospatial information and data (sec. 933)

The Senate amendment contained a provision (sec. 1062) that would amend sections 455 and 467 of title 10, United States Code, to clarify the authority of the Secretary of Defense to permit selective releases of geospatial information representing little military value while protecting the most sensitive information.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

POW/MIA intelligence analysis (sec. 934)

The Senate amendment contained a provision (sec. 1067) that would direct the Director of Central Intelligence, in consultation with the Secretary of Defense, to provide intelligence analytical support on matter concerning missing persons to all departments and agencies of the Federal Government involved in such matters.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitation on operation and support funds for the Office of the Secretary of Defense

The House bill contained a provision (sec. 901) that would reduce the funding associated with the operation and support activities of the Office of the Secretary of Defense (OSD) by twenty percent, and would restrict the obligation of ten percent of funding authorized in fiscal year 1998 until the Department conforms to the requirements of section 901 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) and section 904 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

The Senate amendment contained no similar provision.

The House recedes.

The conferees remain concerned with the Department's non-compliance with section 901 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) that requires a report on specific plans for improving organizational efficiency and effectiveness of the Office of the Secretary (OSD). In addition, the conferees note that OSD failed to implement personnel reductions at a rate sufficient to achieve the statutory requirement by October 1, 1997, as specified in section 903 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201).

Center for the Study of Chinese Military Affairs

The House bill contained a provision (sec. 904) that would require the Department of Defense to establish a Center for the Study of Chinese Military Affairs.

The Senate amendment contained no similar provision.

The House recedes.

White House Communications Agency

The House bill contained a provision (sec. 905) that would limit funding for the White House Communications Agency (WHCA) to $55.0 million, an amount slightly below fiscal year 1997 levels.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that Department of Defense funds for WHCA should only be spent on telecommunication support for the President, and the Department should be reimbursed for non-telecommunication support services.

The WHCA is staffed with approximately eight civilians and 908 military personnel. Of those 908 military positions, 103 are for the provision of non-telecommunications support services. The conferees believe that there is little justification to provide non-telecommunications support services to the President with military personnel assigned to WHCA. In an era when the administration is calling for further reductions in military end-strength, the conferees believe that the military billets dedicated to non-telecommunications support for WHCA could be better used elsewhere within the Department of Defense to perform missions that are truly in support of national defense. The conferees believe that non-telecommunications support services provided by WHCA can, and should, be provided by civilian personnel.

Furthermore, the conferees note that the WHCA budget incorrectly included the WHCA procurement items in the Operation and Maintenance (O&M) budget request. Therefore, the conferees agree to transfer the $7.2 million for WHCA procurement from the O&M account to the procurement account.

Personnel reductions in the United States Transportation Command

The House bill contained a provision (sec. 1304) that would mandate a 1,000 person reduction in the United States Transportation Command during fiscal year 1998.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that another section of the conference agreement directs a reduction in the number of personnel assigned to management headquarters and headquarters support activities within the United States Transportation Command of five percent during fiscal year 1998.

Commission on Defense Organization and Streamlining

The House bill contained a series of provisions (sec. 1601–1609) that would establish a Commission on Defense Organization and Streamlining. The purpose of the commission would be to examine the missions, functions, and responsibilities of the Office of the Secretary of Defense, the management headquarters and headquarters support activities of the military departments and defense agencies, and the various acquisition organizations of the Department of Defense; to propose alternative organizational structures; and to identify areas of duplication and recommend options to eliminate the duplications.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that other provisions of the conference agreement direct the Secretary of Defense to require a Task Force on Defense Reform to examine the missions, functions, and responsibilities of the Department's acquisition organizations and its various headquarters activities and management headquarters support activities; and to submit reports on the results of the examinations by the Task Force to the Congress in early 1998.

Principal duty of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict

The Senate amendment contained a provision (sec. 901) that would revise the original legislation concerning the principal duty of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict to put the emphasis on the Assistant Secretary's supervision of the budgetary, development, and acquisition activities of the Commander in Chief of the Special Operations Command.

The House bill contained no similar provision.

The Senate recedes.

The conferees are aware that the Secretary of Defense has established a Task Force on Defense Reform that is, inter alia, focusing on the reform of the Office of the Secretary of Defense (OSD). In another section, the conference agreement would require the Secretary of Defense to submit the Task Force's report with the comments and recommendations of the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The conferees believe that any changes to the duties of senior OSD officials should take into account the recommendations contained in that report.

TITLE X—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

Global Positioning System alternate master control station

The Global Positioning System (GPS) has become or soon will be fully integrated into most facets of U.S. military planning and operational capabilities. GPS has also been integrated significantly into civil and commercial navigation planning. As such, the conferees recognize the expanding importance of GPS as a national asset, one that is critical to U.S. national security and economic interests. The conferees are aware of potential command and control vulnerabilities associated with the GPS master control station at Falcon Air Force Base, Colorado. The conferees understand that GPS is the only critical national satellite system that does not have an adequate, separate, and secure backup control station. The conferees believe that the Department of Defense and the Air Force should pursue, as an urgent priority, a secure backup GPS system operations facility that is geographically separate from the existing facility.

Therefore, the conferees direct the Secretary of the Air Force to proceed in fiscal year 1998 with the development of an alternate master control station at a location outside the Colorado Springs area. The conferees expect this new alternate master control station to be operational by fiscal year 2001. The conferees further direct the Secretary of the Air Force to submit a report to the congressional defense committees on this issue not later than February 15, 1998.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Financial Matters

Transfer authority (sec. 1001)

The House bill contained a provision (sec. 1001) that would permit the transfer of $2.0 billion of amounts made available in Division A of the bill for any fiscal year to any other authorization made available in Division A upon determination by the Secretary of Defense that such a transfer would be in the national interest.

The Senate amendment contained a similar provision (sec. 1001) that would authorize the budget request level of $2.5 billion in transfer authority.

The Senate recedes.

Incorporation of classified annex (sec. 1002)

The House bill contained a provision (sec. 1002) that would incorporate the classified annex prepared by the Committee on National Security into this act.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment providing that the classified annex prepared by the committee of conference is incorporated into this act.

Authority for obligation of unauthorized fiscal year 1997 defense appropriations (sec. 1003)

The House bill contained a provision (sec. 1003) that would authorize fiscal year 1997 programs that received appropriations but no authorization.

Senate amendment contained a similar provision (sec. 1002).

The Senate recedes.

Authorization of prior emergency supplemental appropriations for fiscal year 1997 (sec. 1004)

The House bill contained a provision (sec. 1004) that would extend authorization to those items appropriated by the fiscal year

1997 emergency supplemental appropriations legislation.

The Senate amendment contained a similar provision (sec. 1003).

The House recedes.

Increase in fiscal year 1996 transfer authority (sec. 1005)

The House bill contained a provision (sec. 1005) that would provide an increase in authorization transfer authority provided by section 1001 of the National Defense Authorization Act for Fiscal Year 1996.

The Senate amendment contained a similar provision (sec. 1004).

House recedes with a technical amendment.

Revision of authority for Fisher House trust funds (sec. 1006)

The Senate amendment contained a provision (sec. 1006) that would amend section 914 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) to require the Secretary of the Air Force to deposit an appropriate amount of funds to establish the corpus of the Fisher House Trust Fund, Department of the Air Force.

The House bill contained no similar provision.

The House recedes.

Flexibility in financing closure of certain outstanding contracts for which a small final payment is due (sec. 1007)

The House bill contained a provision (sec. 1007) that would permit the Secretary of Defense to establish an account to transfer funds into for the purpose of making small final payments on certain outstanding contracts for which funds appropriated for that purpose have expired.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment that clarifies that the total amount of all transfers into the account may not exceed $1.0 million without additional congressional authority.

Biennial financial management improvement plan (sec. 1008)

The Senate amendment contained a provision (sec. 1005) that would require a strategic financial management plan within the Department of Defense to determine goals for improving and reengineering the finance and accounting functions.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the intent of the report.

Estimates and requests for procurement and military construction for the reserve components (sec. 1009)

The House bill contained a provision (sec. 122) that would require the Secretary of Defense to submit an annual report to Congress that describes the measures taken within the Department of Defense to ensure that the reserve components are appropriately funded and lists the major weapons and items of equipment provided for these components. The section would also require the Secretary of Defense to display in all future years defense program updates the amounts programmed for the procurement of equipment for the reserve components.

The Senate amendment contained a provision (sec. 1008) that would require the Department of Defense to specify estimated expenditures and proposed appropriations for reserve component modernization at the same level of detail as the active forces in the annexes provided with the Future Years Defense Program (FYDP).

The House recedes.

Sense of Congress regarding funding for reserve component modernization not requested in the President's budget (sec. 1010)

The Senate amendment contained a provision (sec. 1059) that would require the Congress, to the extent practicable, to consider authorization of appropriation for reserve component modernization activities not included in the budget request if certain criteria are met:

(1) There is a Joint Requirements Oversight Council validated requirement for the equipment;

(2) The equipment is included for reserve component modernization in the modernization plan of the military department concerned and is incorporated into the future years defense program;

(3) The equipment is consistent with the use of reserve component forces; and

(4) The funds can be obligated in the fiscal year.

The provision also calls for Congress to obtain the views of the Chairman, Joint Chiefs of Staff on whether equipment not included in the budget request is appropriate for the employment of reserve component forces in Department of Defense warfighting plans.

The House bill contained no similar provision.

The House recedes.

Management of working-capital funds (sec. 1011)

The Senate amendment contained a provision (sec. 370) that would modify section 2208 of title 10, United States Code, the authority under which the working capital funds are now being managed, to make contract authority available for obtaining capital assets. The Senate amendment also contained a provision (Sec. 361) that would limit the use of advance billing and establish procedures to notify the congressional defense committees within 30 days of advance billings being posted to the working capital funds.

The House bill contained no similar provisions.

The House recedes with an amendment that would continue to restrict the Department of the Navy and establish procedures for the Department of Defense to notify the congressional defense committees in a timely manner when advance billing occurs. The conferees are concerned that excessive advance billing has continued, despite congressional guidance and initiatives to limit the practice. Advance billing has become a normal operating practice rather than an unusual exception. In the case of Navy Working Capital Funds, advance billing is continually used without any plans for significant reductions. Failure to properly budget for these activities and allowing these activities to operate by deficit spending each year is not consistent with good business practices and puts the future force readiness at risk.

The conferees further agree that the removal of activities from the working capital funds, use of direct appropriations to fund these activities, or allowing working capital activities to change rates in the year of execution are not viable solutions to problems in the working capital funds. Proper budgeting and the use of full costing policies allow for the proper financial management of working capital fund activities.

Authority of Secretary of Defense to settle claims relating to pay, allowances, and other benefits (sec. 1012)

The Senate amendment contained a provision (sec. 1060) that would provide the Secretary of Defense authority, upon request of a secretary of a military department, to waive the time limits in the case of a claim for pay and allowances up to a maximum of $25,000. The recommended provision that would modify and clarify the authority granted by section 607 of the National Defense Authorization Act for Fiscal Year 1997 to ensure that the Department of Defense has adequate authority to address these claims.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Payment of claims by members for loss of personnel property due to flooding in Red River Basin (sec. 1013)

The Senate amendment contained a provision (sec. 1081) that would authorize the secretary of a military department to pay claims for loss and damage to personal property suffered as a direct result of the flooding in the Red River Basin during April and May 1997.

The House bill contained no similar provision.

The House recedes with an amendment that would add a requirement that the Secretary of Defense report to the Congress on the Department's policy regarding the payment of claims for loss or damage to personal property as a result of a natural disaster by members of the armed forces who are not assigned to quarters of the United States.

Advances for payment of public services (sec. 1014)

The House bill contained a provision (sec. 1509) that would allow the Department of Defense to pay utility expenses on a budget billing basis.

The Senate amendment contained no similar provision.

The Senate recedes.

United States Man and the Biosphere Program limitation (sec. 1015)

The House bill contained a provision (sec. 1008) that would prohibit the use of funds appropriated for fiscal year 1998 to support the United States Man and the Biosphere Program or any related project.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Subtitle B—Naval Vessels and Shipyards

Procedures for sale of vessels stricken from the Naval Vessel Register (sec. 1021)

The Senate amendment contained a provision (sec. 1012) that would authorize the sale of vessels stricken from the Naval Vessel Register using negotiation as an alternative to the sealed-bid process. This authority would allow such issues as environmental concerns to be addressed more effectively in the process of the sale.

The House bill contained no similar provision.

The House recedes.

Authority to enter into a long-term charter for a vessel in support of the Surveillance Towed-Array Sensor (SURTASS) program (sec. 1022)

The House bill contained a provision (sec. 1022) that would authorize the Secretary of the Navy to enter into a contract in accordance with section 2401 of title 10, United States Code, for the charter of the vessel RV CORY CHOUEST through fiscal year 2003 in support of the SURTASS program.

The Senate amendment contained a provision (sec. 1011) that would authorize the Navy to enter into a long-term lease for a vessel to support the surveillance towed array sensor and low frequency active programs through fiscal year 2004.

The Senate recedes.

Transfer of two specified obsolete tugboats of the Army (sec. 1023)

The House bill contained a provision (sec. 1023) that would allow the Secretary of the Army to transfer two obsolete tugboats to the Brownsville Navigation District, Brownsville, Texas.

The Senate amendment contained no similar provision.

The Senate recedes.

Congressional review period with respect to transfer of the ex-U.S.S. Midway (CV–41) and ex-U.S.S. Hornet (CV–12) (sec. 1024)

The House bill contained a provision (sec. 1025) that would allow for a 30 calendar day congressional review period with respect to the transfer of the decommissioned aircraft carrier ex-U.S.S. *Midway* (CV–41).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would substitute 30 days for 60 days of continuous session of Congress when applying section 7603 of title 10 to ex-U.S.S. *Midway* (CV–41) and ex-U.S.S. *Hornet* (CV–12). If only one qualified entity applies for transfer of ex-U.S.S. *Midway* (CV–41) or ex-U.S.S. *Hornet* (CV–12), the amendment would also allow the Secretary of the Navy to transfer the vessel after 10 days of continuous session of Congress

Transfers of naval vessels to certain foreign countries (sec. 1025)

The Senate amendment contained a provision (sec. 1013) that would transfer on a sale basis one *Hunley* class submarine tender, one *Kaiser* class oiler, seven *Knox* class frigates, two *Oliver Hazard Perry* class guided missile frigates, and three *Newport* class tank landing ships to various countries.

The House bill contained no similar provision.

The House recedes.

Reports relating to export of vessels that may contain polychlorinated biphenyls (sec. 1026)

The House bill contained a provision (sec. 1021) that would amend three sections of the United States Code in order to permit the sale of obsolete vessels that contain polychlorinated biphenyl compounds: section 7305 of title 10, to eliminate Toxic Substances Control Act restrictions on export of vessels for disposal; section 7306a of title 10, to provide that a sinking of a military vessel does not qualify as a prohibited export or disposal under Toxic Substances Control Act; and section 1160 of title 46 App., to resume the practice of selling ships in approved foreign markets under the Merchant Marine Act of 1936.

The Toxic Substances Control Act (TSCA) (15 U.S.C. 1605(e)) prohibits the manufacture, processing, use, or distribution in commerce of polychlorinated biphenyls (PCBs) that are not ''totally enclosed.'' The term ''totally enclosed'' means any manner that ensures ''insignificant'' human health and environmental exposures to PCBs, as determined by the Environmental Protection Agency (EPA). TSCA directed the EPA to promulgate rules for the disposal of PCBs. In vessels identified for sale, scrap, transfer, or sinking, the Navy has discovered minute quantities of PCBs that the Navy has concluded are bound and non-leachable. The existing EPA regulations make it difficult for the Navy and the Maritime Administration to dispose of these vessels.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of the Navy, the Administrator of the Maritime Administration, and the Administrator of the EPA to report to Congress on the implementation of an agreement that has been reached between the Navy and the EPA on PCB vessel disposal issues. The conferees understand that this agreement is in effect and is not contingent upon a new rule to be published later this year, which will incorporate the agreement between the Navy and EPA. The amendment would also make technical modifications to the provisions of the National Maritime Heritage Act of 1994 (16 U.S.C. 5405) that address the scrapping and sale of obsolete vessels.

The conferees understand that the purpose of section 9 of the Shipping Act of 1916 (46 U.S.C. App. 808) is to enable the Maritime Administration to manage the fleet of privately-owned United States-flag commercial vessels capable of meeting national security needs and not to enforce the environmental laws. The conferees expect that any agreement between the Maritime Administration and the EPA concerning the export of such vessels for scrapping outside the United States will respect the role of the Maritime Administration by not requiring it to play any greater role in the enforcement of the environmental laws than it currently plays. The conferees acknowledge that it may be appropriate for the Maritime Administration to inform the EPA of export applications received pursuant to section 9(c) of the Shipping Act of 1916 (46 U.S.C. App. 808(3)).

The provisions concerning the Maritime Administration, the disposal of National Defense Reserve Fleet vessels, and the National Maritime Heritage Act (16 U.S.C. 5404) were resolved through consultations among the House and Senate conferees, the Committees on Commerce, Science, and Transportation of the Senate, and the Committees on Commerce, Transportation and Infrastructure, and Resources of the House of Representatives.

Conversion of defense capability preservation authority to Navy shipbuilding capability preservation authority (sec. 1027)

The Senate amendment contained a provision (sec. 806) that would amend section 808 of the National Defense Authorization Act for Fiscal Year 1996 to restrict its application to shipbuilding and to vest the Secretary of the Navy with the authority to enter into modified capability preservation agreements. The provision would also limit applicability of the agreements to costs incurred after the date of enactment of this Act for commercial contracts that became effective on or after January 26, 1996.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle C—Counter-Drug Activities

The budget request for drug interdiction and other counter-drug activities of the Department of Defense totals $808.6 million. That amount includes the $652.6 million in the drug interdiction account and $156.0 million in the operating budgets of the military services for authorized counter-drug operations. These amounts compare with the $957.4 million authorized for these activities during fiscal year 1997; $796.5 million for the drug interdiction account and $160.9 million in the services' operating budgets. The reduction of $148.8 million equates to a real decline of 17.5 percent after accounting for inflation. The conferees recommend an additional $14.3 million for the counter-drug activities of the Department of Defense.

Drug Interdiction & Counter-drug Activities Operations and Maintenance

(In thousands of dollars; may not add due to rounding)

Fiscal Year 1998 Drug and Counterdrug Request	$808,588
Source Nation Support	183,031
Detection and Monitoring	238,149
Disruption of Drug Mafia Organizations	54,306
Law Enforcement Agency	249,864
Demand Reduction	83,238
Increases:	
Riverine Interdiction Initiative	$4,200
Gulf States Counterdrug Initiative	4,100
Multi-Jurisdictional Task Force	1,000
Southwest Border Fence Project	5,000
Recommendation	$822,888

Ongoing initiatives

In fiscal year 1997, the Congress authorized additional funding for three counter-drug initiatives: the Mexico-Southwest Border Initiative; the Caribbean and South American Initiative; and the Domestic Counter-Narcotics Initiative. These initiatives were intended to provide enhanced capabilities to stem the flow of drugs into the United States and disrupt narcotics operations within our own borders.

Although, the conferees are pleased with the initial progress that has been made with these initiatives, the conferees are concerned about the early difficulties in fulfilling some of the goals of the Mexico-Southwest Border Initiative. Due to the delay caused by these difficulties, the administration has requested an extension of the authority to provide assistance to the Government of Mexico. That authority was originally provided for a single year with the understanding that future support would be provided from funds available to the Department of State pursuant to the Foreign Assistance Act of 1961. Unfortunately, the administration failed to provide the necessary funds within the fiscal year 1998 budget request of the Department of State. If it is the intent of the administration to turn such international counter-drug activities of the United States over to the Department of Defense for execution, the conferees believe that this intent should be demonstrated within the budget request by shifting funds from the State Department's counternarcotics budget to that of the Department of Defense. However, because the conferees understand the value of this particular assistance and the need to explore all available options to stem the flow of drugs across the Southwest border, the conferees agree to a provision (sec. 1032), that would extend for one year the authority to provide additional support for counter-drug activities of the government of Mexico. The total amount of support provided pursuant to this authority would be limited to $8.0 million for the two year period from fiscal year 1997 to 1998. In providing this support, the Secretary of Defense would be required to consult with the Secretary of State.

The conferees continue to support the Gulf States Counter-drug Initiative (GSCI) and are pleased to note that the budget request included $3.4 million for this program. However, the conferees are concerned that this funding level does not adequately cover the costs for required software maintenance, training, and network support. Therefore, the conferees agree to authorize an increase of $4.1 million to fund these activities.

The conferees agree to authorize an additional $1.0 million for the Multi-Jurisdictional Task Force and an additional $5.0 million for border fence construction.

Riverine interdiction initiative

The conferees agree to authorize an increase of $4.2 million to the Department's counterdrug program for riverine operations and include a provision (sec. 1033), that would grant a five year authorization to the Secretary of Defense, in consultation with the Secretary of State, to assist the Peruvian and Colombian governments with the acquisition of the requisite equipment to actively engage riverine counter-drug activities. The amount of support that could be

provided pursuant to this authority would be limited to $9.0 million in fiscal year 1998 and $20.0 million during any of the fiscal years 1999 through 2002. Funds would be restricted from initial obligation until 60 days after the Secretary of Defense, in consultation with the Secretary of State, submits a detailed riverine counter-drug plan to congressional defense committees. The Secretary would also be required to submit any revisions to this plan before obligating any funds for this initiative in the subsequent years.

The conferees direct the Department of Defense, in coordination with other federal agencies involved in counter-narcotic activities, to develop an integrated regional plan to establish a riverine program that can be sustained by the source nations at the end of the five-year period. The Department would be required to provide the details of this plan to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on National Security and International Relations of the House of Representatives before any assistance is provided pursuant to this authority. This plan would provide details as to how the riverine program fits into the overall national drug strategy.

Use of National Guard for State drug interdiction and counterdrug activities (sec. 1031)

The House bill contained a provision (sec. 1031) that would amend section 112 of title 32, United States Code, to prohibit the use of counter-drug funding for National Guard Civil-Military Activities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would ensure that National Guard participation in counter-drug activities is directly related to military training and readiness in accordance with section 2012(d) of title 10, United States Code, and could support youth and charitable organizations designated as eligible to receive such support by section 508 of title 32, United States Code. In addition, the provision would direct the Secretary of Defense to submit an annual report to congressional defense committees regarding the assistance provided, and activities conducted, under State drug interdiction and counter-drug activities plan.

Authority to provide additional support for counter-drug activities of the government of Mexico (sec. 1032)

The Senate amendment contained a provision (sec. 1021) that would extend for one year the authority to provide additional support for counterdrug activities of the Government of Mexico.

The House bill contained no similar provision.

The House recedes with an amendment that would extend for one year the authority to provide additional support for counter-drug activities of the government of Mexico. The total amount of support provided pursuant to this authority would be limited to $8.0 million for the two year period from fiscal year 1997 to 1998. In providing this support, the Secretary of Defense would be required to consult with the Secretary of State.

Authority to provide additional support for counter-drug activities of Peru and Colombia (sec. 1033)

The Senate amendment contained a provision (sec. 1022) which would grant a five year authorization to the Secretary of Defense to assist the Peruvian and Colombian governments with the acquisition of the requisite equipment to actively engage in the Riverine Operations.

The House bill contained no similar provision.

The House recedes with an amendment that would grant a five year authorization to the Secretary of Defense, in consultation with the Secretary of State, to assist the Peruvian and Colombian governments with the acquisition of the requisite equipment to actively engage riverine counter-drug activities. The amount of support that could be provided pursuant to this authority would be limited to $9.0 million in fiscal year 1998 and $20.0 million during any of the fiscal years 1999 through 2002.

Annual report on development and deployment of narcotics detection technology (sec. 1034)

The House bill contained a provision (sec. 1033) that would require the Director of the Office of National Drug Control Policy to submit a report to the Congress and the President regarding the development and deployment of narcotics detection technologies by federal agencies.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle D—Miscellaneous Report Requirements and Repeals

Repeal of miscellaneous reporting requirements (sec. 1041)

The House bill contained a provision (sec. 1041) that would repeal certain obsolete reporting requirements imposed upon the Department of Defense.

The Senate amendment contained a similar provision (sec. 1031).

The House recedes with an amendment.

Study of transfer of modular airborne fire fighting system (sec. 1042)

The House bill contained a provision (sec. 1063) that would require the Secretary of Defense to consult with the Secretary of Agriculture and submit a report that would evaluate the feasibility of transferring jurisdiction over units of modular firefighting equipment from the Department of Agriculture to the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes.

Overseas infrastructure requirements (sec. 1043)

The Senate amendment contained a provision (sec. 1036) that would require the Secretary of Defense to provide a report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives outlining the current and future forward-basing requirements of the Department of Defense along with the international agreements necessary to provide these facilities.

The House bill contained no similar provision.

The House recedes.

Additional matters for annual report on activities of the General Accounting Office (sec. 1044)

The Senate amendment contained a provision (sec. 1040) that would require the General Accounting Office to include within its annual report to Congress the amount of work performed at the request of members of Congress, the amount of work performed to fulfill a specific legislative requirement, and the amount of work initiated by the Comptroller General in performance of his general responsibilities.

The House bill contained no similar provision.

The House recedes.

Eye safety at small arms firing ranges (sec. 1045)

The Senate amendment contained a provision (sec. 1041) that would require the Secretary of Defense to conduct a study of eye safety at small arms firing ranges, and report to the Congress on the development of a protocol for reporting eye injuries incurred during small arms firing activities.

The House bill contained no similar provision.

The House recedes with an amendment that would change the date on which the study is to begin.

Reports on Department of Defense procedures for investigating military aviation accidents and for notifying and assisting families of victims (sec. 1046)

The Senate amendment contained a provision (sec. 1044) that would require the Secretary of Defense to provide a series of reports to the Congress related to investigations of military aviation accidents; assistance provided to families of casualties; and a review of the Federal Aviation Administration and the National Transportation Safety Board procedures for providing information and assistance to families of casualties of non-military aviation accidents.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees believe that military families deserve the best possible care, attention, and information, especially at a time of tragic personal loss. Breakdowns in the implementation of the established family notification procedures that are applicable in case of armed forces and Department of Defense civilian personnel casualties can cause significant distress and mistrust. The conferees believe that Department of Defense representatives involved in casualty notifications should have the training and experience to provide meaningful information about any investigations. The notification personnel should have access to persons qualified to provide effective grief counseling. Procedures for civilian family notification that have been adopted by the Federal Aviation Administration and National Transportation Safety Board might serve as a useful model for improvements to Department of Defense procedures.

The requirement for the report on aviation accident investigation procedures is not intended to create the perception that the current procedures are inadequate. Rather the requirement is an opportunity to assess proposals to combine the two investigations into a single, public investigation process in order to clarify possible misconceptions or misunderstandings related to the current Department of Defense procedures. The conferees recognize that, although the Department of Defense provides much needed logistical support, including transportation and care of remains, survivor counseling, and other benefits for tragedies like the crash of the C-130 aircraft on November 22, 1996, this support may be insufficient to meet the immediate emotional and personal needs of affected family members. It is important that the flow of information to surviving family members be accurate and timely, and, to the extent possible, be provided to family members in advance of media reports. Therefore, the conferees believe the Department of Defense should give a high priority, to the extent practicable, to providing family members with all relevant information about an accident as soon as it becomes available, consistent with the national security interests of the United States, and to allowing the family members full access to any public hearings or public meetings about the accident.

Subtitle E—Matters Relating to Terrorism

Oversight of counterterrorism and antiterrorism programs and activities of the United States (sec. 1051)

The House bill contained a provision (sec. 1064) that would direct the Office of Management and Budget to establish a reporting

system and collect information from executive agencies on their counterterrorism and antiterrorism programs, activities, budgets, and expenditures; to provide a report on executive branch activities and programs from 1995 through 1997 and submit the information to Congress. The provision would also require an annual report to Congress on this information.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify the requirement to report to Congress on executive branch activities and programs from 1995 through 1997, and require an annual report on prospective U.S. government counterterrorism and antiterrorism activities, programs, budgets, and expenditures.

Report on policies and practices relating to the protection of members of the armed forces abroad from terrorist attack (sec. 1052)

The House bill contained a provision (sec. 1043) that would require the Secretary of Defense to report on antiterrorism activities and programs of the Department of Defense, to include a description of the various programs, deficiencies in the programs, and actions taken by the Secretary to improve implementation of those programs.

The Senate amendment contained two provisions regarding the policies and practices of the Department of Defense (DOD) in protecting members of the armed forces against terrorist attack; one provision (sec. 1043) that would require the Secretary of Defense to submit a report to Congress that would assess the policies and practices of the Department to protect U.S. Armed Forces from terrorist attack and assess the procedures for determining accountability in the chain of command in the event a terrorist incident results in loss of life at a U.S. military facility abroad; another provision (sec. 1053) that would direct the Secretary of Defense to take appropriate actions to ensure that units of the U.S. Armed Forces engaged in peace operations have adequate troop protection equipment for such operations.

The conferees agree to a single provision that would direct the Secretary of Defense to take appropriate actions to ensure that U.S. Armed Forces engaged in peace operations have the necessary equipment to adequately protect themselves; would direct the Secretary to designate a DOD official with responsibility for oversight of troop protection equipment; would require the Secretary of Defense to submit a report to Congress on antiterrorism programs and actions conducted by DOD, and the roles of the chain of command in providing force protection guidance and support to U.S. Armed Forces deployed overseas before and after the two terrorist bombings against U.S. Armed Forces in Saudi Arabia in 1995 and 1996.

Subtitle F—Matters Relating to Defense Property

Lease of nonexcess personal property of the military departments (sec. 1061)

The House bill contained a provision (sec. 1058) that would require the military departments to compete any lease in excess of one year for personal property valued over $100,000 and notify the Congress 45 days prior to entering into such a lease.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Lease of nonexcess property of defense agencies (sec. 1062)

The Senate amendment contained a provision (sec. 842) that would extend to the directors of defense agencies authority currently granted to the service secretaries to lease nonexcess property under certain circumstances.

The House bill contained no similar provision.

The House recedes with an amendment that would incorporate portions in the Senate provision regarding fair market value and competition requirements for such lease agreements.

Donation of excess chapel property to churches damaged or destroyed by arson or other acts of terrorism (sec. 1063)

The Senate amendment contained a provision (sec. 1078) that would allow the Department of Defense to donate excess Army chapel property to churches that were destroyed or damaged by an act of arson or terrorism.

The House bill contained no similar provision.

The House recedes with an amendment that would expand the authority to apply to all excess chapel property within the Department of Defense.

Authority of the Secretary of Defense concerning disposal of 1assets under cooperative agreements on air defense in Central Europe (sec. 1064)

The Senate amendment contained a provision (sec. 1089) that would provide authority for the Secretary of Defense, pursuant to amendments to the European air defense agreements agreed to on December 6, 1983 and July 12, 1984, to provide defense articles owned and acquired by the United States to the Federal Republic of Germany.

The House bill contained no similar provision.

The House recedes.

The conferees note that pursuant to amendments to the European Air Defense Agreements agreed to on December 6, 1983 and July 12, 1984, the Patriot-Roland Cooperative Agreement (section 1007, Public Law 98-525, and section 132, Public Law 99-83) enabled the United States and the Federal Republic of Germany to enhance central European air defenses by utilizing Patriot batteries and the Roland short range air defense systems, which are owned by the United States but operated by the Federal Republic of Germany.

Since January 1996, negotiations between the United States and the Federal Republic of Germany have been underway to modify and extend the current agreement. The Department of Defense (DOD) has informed the conferees that the current proposal would allow the transfer of ownership for 12 Patriot batteries and 27 Roland short range air defense systems to the Federal Republic of Germany in exchange for equitable compensation. The DOD has further informed the conferees that modifying the current agreements to provide for this transfer of ownership would be an equitable solution with regard to the assets involved in the original agreement, and would enable continued cooperation in the air defense mission area. The conferees understand that legislation is necessary to accomplish these transfers as the original agreements do not provide the required transfer authority and this particular transfer would fall outside of the coverage of the more traditional authorities contained in the Arms Export Control Act, 22 U.S.C. 2751.

The conferees direct the Secretary of Defense to provide a report to Congress on the status of the negotiations on the Patriot-Roland Follow-On Implementing Agreement (FOIA). The conferees further direct that prior to the transfer of title for any Patriot or Roland systems, the Secretary of Defense shall provide the congressional defense committees with a report on the financial and non-financial benefits to the United States of the transfer of the equipment, the mission value of the FOIA compensation components, the terms of the equipment transfer (including the use of mission value as compensation), the ability of the United States to meet its NATO obligations, and any potential obstacles to the performance of FOIA missions.

Sale of excess, obsolete, or unserviceable ammunition and ammunition components (sec. 1065)

The Senate amendment contained a provision (sec. 365) that would authorize the Secretary of the Army to competitively sell excess, obsolete, or unserviceable ammunition and ammunition components to licensed manufacturers that have the capability to modify, reclaim, transport, and either store or sell ammunition or ammunition components. The ammunition or ammunition components purchased under this authority would be required to be demilitarized or used in such a way as the Secretary of the Army determines is consistent with the public interest.

The House bill contained no similar provision.

The House recedes with an amendment that would require all receipts to be deposited into the Federal Treasury and would require an Army Audit Agency report during the first three years on the effect of this authorization.

Transfer of B-17 aircraft to museum (sec. 1066)

The Senate amendment contained a provision (sec. 1070) that would authorize the Secretary of the Air Force to transfer the B-17 aircraft known as Picadilly Lilly to the Planes of Fame Museum in Chino, California. The provision would require that the plane be demilitarized and that the cost of the demilitarization be paid by the museum.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that the particular circumstances surrounding this case, including the museum's possession of a bill of sale transferring this plane from the Federal Government to the museum, are unique and that this provision does not establish any precedent regarding the transfer of aircraft.

Report on disposal of excess and surplus materials (sec. 1067)

The Senate amendment contained a provision (sec. 1038) that would require the Secretary of Defense to submit a report to the Congress outlining the actions required to ensure that the Department better manages the Defense Reutilization and Marketing System so as to eliminate, or at least minimize, the problems.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would incorporate the reporting requirements contained in the House report language regarding this issue.

Subtitle G—Other Matters

Authority for special agents of the Defense Criminal Investigative Service to execute warrants and make arrests (sec. 1071)

The House bill contained a provision (sec. 1051) that would grant the Secretary of Defense authority to authorize special agents of the Defense Criminal Investigative Service (DCIS) to execute and serve warrants and other process issued under the authority of the United States, and to authorize them to make warrantless arrests in certain situations. The authority of a special agent under this provision could only be exercised in accordance with guidelines prescribed by the Attorney General.

The Senate amendment contained a similar provision (sec. 1065).

The Senate recedes with a clarifying amendment.

Since the authority granted by this provision is to be exercised in accordance with guidelines prescribed by the Inspector General of the Department of Defense and approved by the Attorney General, proposed guidelines should be submitted by the Inspector General to the Attorney General as expeditiously as possible.

Study of investigative practices of military criminal investigative organizations relating to sex crimes (sec. 1072)

The House bill contained a provision (sec. 1052) that would require the Secretary of Defense to commission from the National Academy of Public Administration an independent study of the policies, procedures, and practices of the military criminal investigative organizations in investigating sex crimes and other criminal sexual misconduct in the armed forces.

The Senate amendment contained no similar provision.

The Senate recedes.

Technical and clerical amendments (sec. 1073)

The House bill contained a provision (sec. 1053) that would make various technical and clerical amendments to existing law.

The Senate amendment contained a provision (sec. 556) that would make a technical correction to a cross-reference in section 14317(d) of title 10, United States Code.

The conferees agree to a provision that would incorporate portions of these technical amendments.

Sustainment and operation of the Global Positioning System (sec. 1074)

The Senate amendment contained a provision (sec. 1064) that would endorse and enact into law the presidential policy on the sustainment and operation of the Global Positioning System (GPS) issued in March 1996.

The House bill contained no similar provision.

The House recedes with an amendment that would provide that the Interagency GPS Executive Board, established pursuant to the presidential GPS policy, be the forum for interagency review of any proposed international agreement on the civil use of GPS. The amendment would also direct the Secretary of Defense not to accept any restriction on the GPS system proposed by the head of any other department or agency in the exercise of that official's regulatory authority that would adversely affect the military potential of GPS.

Protection of safety-related information voluntarily provided by air carriers (sec. 1075)

The House bill contained a provision (sec. 1056) that would protect from disclosure certain air safety information voluntarily submitted to the Department of Defense by an air carrier providing charter air transportation to the Department.

The Senate amendment contained a similar provision (sec. 1063).

The Senate recedes with an amendment.

National Guard ChalleNGe Program to create opportunities for civilian youth (sec. 1076)

The House bill contained a provision (sec. 1057) that would provide the Secretary of Defense, acting through the Chief of the National Guard Bureau, authority to conduct a program known as the National Guard ChalleNGe Program and would authorize the Department of Defense to provide up to $50.0 million in funding to support the program. The section would also limit the Department of Defense share of the costs of operating a program in each state to 75 percent in fiscal year 1998—with that share decreasing by 5 percent each year, to 60 percent in fiscal year 2001. Finally, the section would increase by $30.0 million the $20.0 million included in the budget request. To pay for the increase, the committee would reallocate to the ChalleNGe program the $15.0 million that it had intended to add to the Army National Guard military personnel accounts for initial entry and military skill training. In addition, the committee recommends a reduction in the amounts requested in the President's budget for Army and Air National Guard operations and maintenance funding by $7.5 million each.

The Senate amendment contained a provision (sec. 1052) that would extend the authorization for the National Guard Civilian Youth Opportunities Pilot Program until September 30, 1998. The provision would limit the number of programs to 15, would limit the amount which may be obligated in support of the program during fiscal year 1998 to $20.0 million, and would require non-Federal funding to match the Federal Government contribution to the program in each state.

The Senate recedes.

Disqualification from certain burial-related benefits for persons convicted of capital crimes (sec. 1077)

The House bill contained a provision (sec. 1060) that would prohibit the Secretary of Defense from providing military honors at the funeral of a person who has been convicted of a crime under state or federal law for which death is a possible punishment and for which the person was sentenced to death or life imprisonment without parole.

The Senate amendment contained a provision (sec. 1076) that would disqualify persons convicted of a capital offense under Federal law from burial in cemeteries administered by the Secretary of Defense and the Secretary of Veterans Affairs and would prohibit such a person from receiving other burial benefits prescribed by federal law.

The House recedes with an amendment that would incorporate the House provision and would prohibit a person convicted of a capital offense from being buried in any cemetery administered by the Secretary of Defense, as well as Arlington National Cemetery.

Restrictions on the use of human subjects for testing of chemical or biological agents (sec. 1078)

The Senate amendment contained a provision (sec. 1086) that would prohibit the United States government from using human subjects for chemical or biological tests or experiments. The provision would not apply to research, tests, or experiments related to medical, therapeutic, pharmaceutical, agricultural, and industrial activities, or research, tests, or experiments directly related to protection against toxic chemicals, or to protection against chemical or biological agents, U.S. military purposes not related to the use of chemical weapons, and law enforcement activities, including domestic riot control and the imposition of capital punishment. The provision would also require the Department of Defense to report to Congress annually on the conduct of chemical and biological tests involving human subjects, with a certification by the Secretary of Defense that informed consent was obtained from each subject, prior to testing, and would repeal section 808 of the Department of Defense Appropriation Authorization Act for Fiscal Year 1978 (50 U.S.C. 1520).

The House bill contained no similar provision.

The House recedes with an amendment that would prohibit the Secretary of Defense, either directly or by contract, from conducting tests or experiments using chemical or biological agents on human subjects and would require the Secretary of Defense to report to Congress thirty days prior to date that the Department of Defense intends to conduct a chemical or biological test or experiment involving human subjects.

Treatment of military flight operations (sec. 1079)

The Senate amendment contained a provision (sec. 1072) that would modify section 303(c) of title 49, United States Code, the Department of Transportation Act of 1966. Section 303(c) currently requires the Department of Transportation to review transportation programs or projects that use parks, refuges, or historic sites and to determine that no alternative to the public land use is available and that harm to the public land is minimized. The Senate provision specifies that a military airspace proposal for national security-related activities is not a ''transportation program or project'' to which section 303(c) applies.

The House bill contained no similar provision.

The House recedes.

Naturalization of certain foreign nationals who serve honorably in the Armed Forces during a period of conflict (sec. 1080)

The Senate amendment contained a provision (sec. 1073) that would modify the Immigration and Naturalization Act, title 8, United States Code, to permit foreign national service members who reenlist on board U.S. public vessels to qualify for naturalization without regard to the location of the vessel. The effective date of the provision would be retroactive to cover those foreign nationals who reenlisted on board U.S. vessels since January 1, 1990.

The House bill contained no similar provision.

The House recedes with an amendment that would remove a portion of the Senate provision waiving certain provisions of the Immigration Act of 1990 pertaining to processing applications for naturalization.

Applicability of certain pay authorities to members of specified independent study organizations (sec. 1081)

The Senate amendment contained a provision (sec. 1069) that would exempt retired federal employees and retired military personnel who have been appointed as members of the Commission on Servicemembers and Veterans Transition Assistance from limitations pertaining to receiving federal pay while concurrently receiving a federal retirement annuity.

The House bill contained no similar provision.

The House recedes with an amendment that would exempt retired Federal employees and retired military personnel who have been appointed as members of the National Defense Panel as well as those appointed to the Commission on Servicemembers and Veterans Transition Assistance.

Display of POW/MIA flag (sec. 1082)

The House bill contained a provision (sec. 1054) that would expand the dates on which the POW/MIA flag must be flown, as well as the locations where it must be flown on the prescribed dates. In addition, the section would repeal existing law that terminates the requirement to display the POW/MIA flag upon the President's determination that the fullest possible accounting has been made of all members of the armed forces and civilian employees of the United States who have been identified as prisoner of war or missing in action in Southeast Asia.

The Senate amendment contained a similar provision (sec. 1077).

The Senate recedes with a clarifying amendment.

Program to commemorate 50th anniversary of the Korean conflict (sec. 1083)

The House bill contained a provision (sec. 374) that would authorize the Secretary of

Defense, to begin to plan, coordinate, and execute a program to commemorate the 50th anniversary of the Marshall Plan and the Korean Conflict.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Department of Defense to expend up to $100,000 for the planning, coordination, and execution of a program to commemorate the 50th anniversary of the Korean conflict.

Commendation of members of the Armed Forces and Government civilian personnel who served during the cold war; certificate of recognition (sec. 1084)

The House bill contained a provision (sec. 1059) that would recognize the service and sacrifices of military and civilian personnel who served during the Cold War era.

The Senate amendment contained a provision (sec. 536) that would authorize the secretaries of the military departments to award a medal to military personnel who served honorably during the Cold War era.

The Senate recedes with an amendment that would require the Secretary of Defense to develop a certificate recognizing service during the Cold War era and to make the certificate available upon request by qualified personnel.

Sense of Congress on granting of statutory Federal charters (sec. 1085)

The conferees agree to include a provision that would express the sense of Congress that no statutory federal charter should be enacted unless the charter is approved by the Congress upon a favorable report by the committees of jurisdiction of the respective houses.

Sense of Congress regarding military voting rights (sec. 1086)

The Senate amendment contained three provisions (sec. 541–543) that would establish a short title of ''Military Voting Rights Act of 1997'', amend the Soldiers' and Sailors' Civil Relief Act of 1940 to preclude a military member from losing a claim to State residency for the purpose of voting in federal and state elections because of absence due to military orders, and amend the Uniformed and Overseas Citizens Absentee Voting Act to require each State to permit absent military voters to use absentee registration procedures and to vote by absentee ballot in elections for state and local offices, in addition to federal offices as provided in current law.

The House bill contained no similar provision.

The House recedes with an amendment that would substitute the sense of Congress that would affirm the absolute right of military members to vote in federal, state, and local elections; state that a military member's extended absence from a place of residency or domicile due to military orders would not be grounds for loss or change of residency or domicile; and call for legislation to confirm the voting rights of military personnel following a review of the need for legislation and the impact of such legislation on the right of states to set voter registration requirements.

The conferees are concerned that, in the absence of legislation that would guarantee military voting rights in state and local elections, such rights are subject to challenge. Accordingly, the conferees direct that the Secretary of Defense, in consultation with the Attorney General, study the issue, determine the need for legislation, assess the consequences of such legislation for the right of states to set voter registration requirements, and recommend a course of action for the Congress, to include proposed legislation, if appropriate. The conferees direct that a report on the matters outlined above be submitted to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than March 1, 1998. The conferees anticipate that both Committees will hold hearings to consider the need for such legislation in the coming year.

Designation of Bob Hope as an honorary veteran of the Armed Forces of the United States (sec. 1087)

The Senate amendment contained a provision (sec. 1074) that would designate Mr. Bob Hope as an honorary veteran of the Armed Forces of the United States.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees recognize that Bob Hope has contributed many years of service to enhancing the morale and welfare of members of the Armed Forces of the United States. He has traveled to virtually every post, camp, and station where military personnel are assigned overseas, including those in war zones, bringing entertainment, laughter, cheer, and a touch of home, sometimes at great personal risk.

Thanks for the memories, Bob.

Five-year extension of aviation insurance program (sec. 1088)

The Senate amendment contained a provision (sec. 1071) that would extend through September 30, 2002 the aviation insurance program authorized in section 44310 of title 49, United States Code.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Naming of a DDG–51 class destroyer the U.S.S. Thomas F. Connolly

The House bill contained a provision (sec. 1024) that would express the sense of Congress that the Secretary of the Navy should name one of the ships of the DDG–51 class of destroyers the U.S.S. Thomas F. Connolly in honor of Vice Admiral Connolly.

The Senate amendment contained no similar provision.

The House recedes.

Assignment of Department of Defense personnel to assist immigration and naturalization service and custom service

The House bill contained a provision (sec. 1032) that would authorize the Secretary of Defense to assign up to 10,000 U.S. military personnel to assist the Immigration and Naturalization Service and the U.S. Customs Service in their border enforcement duties at the request of the Attorney General or the Secretary of the Treasury.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of annual report requirement relating to training of special operations forces with friendly foreign forces

The House bill contained a provision (sec. 1042) that would amend section 2011 of title 10, United States Code, to repeal the requirement that the Department of Defense prepare an annual report relating to training of U.S. Special Operations Forces with the forces of friendly foreign governments.

The Senate bill contained no similar provision.

The House recedes.

Armament retooling and manufacturing support initiative

The House bill contained a provision (sec. 1065) that would expand the purpose of the Armament Retooling and Manufacturing Support Initiative to allow for the use of ammunition manufacturing facilities by other entities for the purpose of modernization, development, and restoration of the facilities. The authority would also allow the government to enter into 99 year leases with private entities that want to operate on these facilities.

The Senate amendment contained no similar provision.

The House recedes.

Long-term charter contracts for acquisition of auxiliary vessels for the Department of Defense

The House bill contained a provision (sec. 1501) that would authorize the Secretary of the Navy to enter into long-term lease agreements for the procurement of combat logistics force (CLF) ships.

The Senate amendment contained no similar provision.

The House recedes.

Availability of certain fiscal year 1991 funds for payment of contract claim

The Senate amendment contained a provision (sec. 1007) that would authorize the Secretary of the Army to reimburse the Treasury judgment fund out of a certain fiscal year 1991 appropriation for any judgment against the United States that might be rendered in the case *Appeal of McDonnell Douglas Company*, Number 48029, presently before the Armed Services Board of Contract Appeals.

The House bill contained no similar provision.

The Senate recedes.

Psychotherapist-patient privilege in the Military Rules of Evidence

The Senate amendment contained a provision (sec. 1051) that would require the Secretary of Defense to submit to the President, for consideration for promulgation under article 36 of the Uniform Code of Military Justice (10 U.S.C. 836), a recommended amendment to the Military Rules of Evidence that would recognize a testimonial privilege regarding disclosure by a psychotherapist of confidential communications with a patient. The privilege was to be applicable to patients who are not subject to the Uniform Code of Military Justice and, upon a determination by the Secretary of Defense, to individuals subject to the Code.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the Department of Defense has already made significant progress toward drafting a recommended amendment to the Military Rules of Evidence incorporating the above-described privilege. The conferees urge the Department of Defense to submit the proposed amendment to the President at the earliest opportunity.

Acceptance and use of landing fees for use of overseas military airfields by civil aircraft

The Senate amendment contained a provision (sec. 1055) that would authorize a military service to accept and retain fees for the use of foreign-based military airfields by civil aircraft.

The House bill contained no similar provision.

The Senate recedes.

Protection of employees from retaliation for certain disclosures of classified information

The Senate amendment contained a provision (sec. 1068) that would amend the Whistleblower Protection Act to protect certain government employees from reprisal for disclosing classified information to certain members or employees of Congress in the

course of providing evidence of violations of law or other wrongdoing.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that existing law prohibits reprisals against covered employees for disclosing information—whether classified or not—to the Congress, if that information relates to violations of law or regulation, gross mismanagement or waste, abuses of authority, or dangers to public health or safety. The conferees direct the Secretary of Defense to report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than March 1, 1998, on the following:

(1) the mechanisms presently in law or regulation under which federal or contractor employees may report violations of law, fraud, waste, or abuse to the Congress or within the executive branch where classified information is involved;

(2) the steps the Department of Defense has taken to ensure that such employees are aware of those mechanisms; and

(3) the protections in effect in law or regulation to ensure that the employees who use these mechanisms are protected against reprisal.

Criminal prohibition on the distribution of certain information relating to explosives, destructive devices, and weapons of mass destruction

The Senate amendment contained a provision (sec. 1075) that would amend section 842 of title 18, United States Code, to make it a crime for a person to teach, demonstrate the making of explosives, destructive devices or weapons of mass destruction, or to distribute information on the manufacture or use of explosives, destructive devices, and weapons of mass destruction.

The House bill contained no similar provision.

The Senate recedes.

Restrictions on quantities of alcoholic beverages available for personnel overseas through Department of Defense sources

The Senate amendment contained a provision (sec. 1090) that would require the Secretary of Defense to prescribe regulations relative to the quantity of alcoholic beverages that are available to service members assigned overseas through the Department of Defense, including alcoholic beverages available through nonappropriated fund instrumentalities. The regulations would be required to be consistent with the goal of preventing the blackmarket sale of American alcoholic beverages at overseas locations.

The House bill contained no similar provision.

The Senate recedes.

The conferees remain concerned about the problem of the blackmarket resale of American products overseas, particularly alcoholic beverages in countries such as Korea. However, the conferees understand that the Department of the Army has taken administrative steps to reduce the opportunities for black marketing of alcoholic beverages in Korea and other overseas locations. Therefore, the conferees direct the Secretary of Defense to submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that would describe the rules that govern the quantities of alcoholic beverages available to service members overseas and the administrative actions taken by each of the military departments to control the illegal resale of alcoholic beverages at overseas military installations. The report shall identify circumstances that contribute to the problem of blackmarket resale of products sold in exchanges in South Korea, and shall include an assessment of the extent to which South Korean trade restrictions on beer and other products are a contributing factor. The report should be submitted no later than March 31, 1998.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Use of prohibited constraints to manage Department of Defense personnel (sec. 1101)

The Senate amendment contained a provision (sec. 1101) that would require the secretaries of the military departments and heads of defense agencies to certify directly to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the civilian workforce under their jurisdiction is not and has not during the preceding six months been the subject of any constraint or limitation in terms of man years, full-time equivalent positions, or maximum number of employees.

The House bill contained no similar provision.

The House recedes with an amendment that would change the reporting requirement to an annual report.

Veterans' preference status for certain veterans who served on active duty during the Persian Gulf War (sec. 1102)

The House bill contained a provision (sec. 323) that would permit veterans preference to be awarded to military personnel who served on active duty during the Persian Gulf War.

The Senate amendment contained no similar provision.

The Senate recedes.

Repeal of deadline for placement consideration of involuntarily separated military reserve technicians (sec. 1103)

The Senate amendment contained a provision (sec. 1104) that would eliminate the time limitation within which involuntarily separated military reserve technicians would be given priority placement consideration.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Rate of pay of Department of Defense overseas teachers upon transfer to General Schedule position (sec. 1104)

The House bill contained a provision (sec. 321) that would provide the Secretary of Defense authority to adjust a Department of Defense Dependents Schools educator's salary up to 20 percent when that person is moved from a position under the Teaching Position (TP) pay system to a position under the General Schedule (GS) pay system.

The Senate amendment contained a provision (sec. 1105) that would authorize the Secretary of Defense to prescribe regulations to control the amount of salary increase awarded to certain overseas professional educators who transfer from positions compensated under the ''Teaching Pay'' system to positions compensated under the ''General Schedule'' pay system.

The House recedes with an amendment that would clarify the Senate provision.

Garnishment and involuntary allotment (sec. 1105)

The Senate amendment contained a provision (sec. 1107) that would restore the requirement that the cost of garnishment or involuntary allotments be borne by the federal employee.

The House bill contained no similar provision.

The House recedes.

Extension and revision of voluntary separation incentive pay authority (sec. 1106)

The Senate amendment contained a provision (sec. 1103) that would extend the authority for the Voluntary Separation Incentive Pay Program for the Department of Defense until September 30, 2001.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Use of approved fire-safe accommodations by Government employees on official business (sec. 1107)

The House bill contained a provision (sec. 322) that would require that each government agency ensure that not less than 90 percent of the commercial-lodging room nights for employees of that agency be booked at approved accommodations and would require that each government agency establish explicit procedures to meet this requirement.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would retain the 90 percent standard; require the Federal Emergency Management Agency to prepare an accurate fire-safe hotel list; and require the General Services Administration to submit a one-time report on implementation of the requirements.

Navy higher education pilot program regarding administration of business relationships between Government and private sector (sec. 1108)

The Senate amendment contained a provision (sec. 1108) that would establish a pilot program of higher education at the Naval Undersea Warfare Center and would authorize $2.5 million to be appropriated to fund the program.

The House bill contained no similar amendment.

The House recedes with an amendment that would provide the Secretary of the Navy the authority to establish and fund a pilot program of higher education available to employees of the Naval Undersea Warfare Center, employees of the Naval Sea Systems Command, and employees of the Acquisition Center for Excellence of the Navy.

Authority for Marine Corps University to employ civilian faculty members (sec. 1109)

The House bill contained a provision (sec. 903) that would authorize the Secretary of the Navy to employ civilian professors at any of the seven colleges within the Marine Corps University whose principal course of instruction is 10-months or more long.

The Senate amendment contained a similar provision (sec. 1102).

The Senate recedes with a clarifying amendment.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

Limitation on the use of funds for the deployment of U.S. forces in Bosnia beyond June 30, 1998 (secs. 1201–1206)

The House bill contained provisions (secs. 1201, 1210–1212) on Bosnia that would require the Secretary of Defense to submit a report to Congress identifying the non-military tasks performed by U.S. armed forces participating in the NATO Stabilization Force (SFOR) in Bosnia; would direct the President to report on the political and military conditions in Bosnia and the costs associated with the continued presence of U.S. armed forces in Bosnia, and would limit the expenditure of a portion of the fiscal year 1998 defense funds authorized and appropriated for operations in Bosnia until such time as the report is submitted to Congress. In addition, a provision in the House bill would limit the use of fiscal year 1998 defense funds for the deployment of U.S. armed forces in Bosnia after June 30, 1998.

The Senate amendment contained a provision (sec. 1083) that would express the sense of the Senate that U.S. ground combat forces should be withdrawn from Bosnia by June 30, 1998 and should not participate in a follow-on force; that a Western European Union-led, or a NATO-led, force without U.S. ground combat forces are suitable for a follow-on force after June 30; that, if necessary, the United States may appropriately provide support, including command and control, intelligence, logistics and, if required, a ready reserve force in the region; and that the President should inform European allies of the views expressed by the Congress, strongly urging them to take appropriate steps to prepare a follow-on force to maintain peace in Bosnia, and consult with Congress on any support provided by the United States to a WEU-led or NATO-led follow-on force after June 30, 1998.

The conferees agree to a series of provisions that would express findings of the Congress regarding the deployment of U.S. armed forces in Bosnia and express the sense of Congress that a WEU-led or NATO-led force without participation of U.S. ground combat forces may be suitable for a follow-on force to the SFOR, and that the United States may decide to provide appropriate support to such a follow-on force. Another provision would limit the use of fiscal year 1998 funds authorized for the Department of Defense after June 30, 1998 for the deployment of U.S. ground combat forces in Bosnia, unless the President certifies to the Congress that the continued presence of U.S. ground combat forces is in the national security interests, and that it will remain the policy of the United States that U.S. ground forces will not be used as civil police in Bosnia. Concurrent with this certification, the President would be required to submit a report on the rationale for a continued U.S. armed forces presence, the number of U.S. military personnel to be deployed in and around Bosnia, the expected duration of the deployment, the mission and objectives of the U.S. armed forces deployed in and around Bosnia after June 30, 1998, the exit strategy and incremental costs associated with the deployment of the U.S. military in and around Bosnia after June 30, 1998, and other issues associated with extending the presence of the U.S. military forces in and around Bosnia. In addition, the conferees agree to a provision that would require the President to submit concurrently with the certification and report, a supplemental appropriations request for such amounts as are necessary to continue the deployment of U.S. military forces in and around Bosnia after June 30, 1998.

Another provision (sec. 1204) would require the Secretary of Defense to submit two reports to Congress regarding activities and tasks carried out by U.S. forces assigned to the Stabilization Force (SFOR), or any successor force to SFOR.

Lastly, the conferees agree to a provision (sec. 1205) that would require the President to submit a report to Congress by February 1, 1998 on the political and military conditions in Bosnia, that would include, but not be limited to, an assessment of progress made in implementing the Dayton Peace Agreement, other matters related to a follow-own force to SFOR, the possible involvement of U.S. military forces supporting peacekeeping activities in Bosnia following the withdrawal of U.S. ground combat forces from Bosnia, and a detailed explanation and timetable for withdrawing U.S. ground combat forces from Bosnia by June 30, 1998.

Subtitle B—Export Controls on High Performance Computers

Export controls on high performance computers (secs. 1211–1215)

The House bill contained provisions (secs. 1231–1234) that would express concerns about recent reports that United States-origin supercomputers were obtained by countries of proliferation concern for possible use in weapons-related activities and that these countries have refused to allow the United States to conduct post-shipment verification of the supercomputers to ensure that they are not being used for military purposes. The provision would prohibit the export, or re-export, of supercomputers with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) to any Tier III country without the prior written approval of the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, and the Director of the Arms Control and Disarmament Agency. It would also require the President to report to Congress on all supercomputers with a computational capability of over 2,000 MTOPS that have been exported to all countries since January 1996. Finally, it would require post-shipment verification of U.S. origin supercomputers that exceed 2,000 MTOPS that have been exported to Tier III countries and require a report on the results of post-shipment verification.

The Senate amendment contained a provision (sec. 1080) that would require the General Accounting Office (GAO) to conduct a study on the national security risks of selling supercomputers with a computational capability of 2,000–7,000 MTOPS to end-users in Tier III countries and to conduct an assessment of foreign availability of supercomputers in the 2,000–7,000 MTOPS range. The provision would require the Secretary of Commerce to publish a list of military and nuclear end-users and establish procedures by which U.S. exporters may seek information on questionable end-users.

The conferees agree to a series of provisions. One provision (sec. 1211) would require that no computer with a composite theoretical performance of more than 2,000 MTOPS, or such other composite theoretical performance level established by the President, may be exported or re-exported to covered countries without a license if the sale without a license is objected to in writing by the Secretary of Commerce, the Secretary of Defense, the Secretary of Energy, the Secretary of State, or the Director of the Arms Control and Disarmament Agency. Such objection would have to be made within ten days of receiving the notice of proposed export, or re-export. The provision would allow the President, after consultation with the same department and agency heads, to change the threshold of the composite theoretical performance levels that would require the aforementioned ten day review before being exported without license to covered countries. However, the provision would delay implementation of such a threshold adjustment for 180 days after receipt by Congress of a report that justifies the change of the threshold. In addition, the provision would allow the President to add or delete countries from the list of covered countries, after consultation with the same department and agency heads, but would delay implementation of deletions from the list for 120 days after receipt by Congress of a report that justifies the deletion, and would preclude the deletion of certain countries of proliferation concern from this list. Another provision (sec. 1212) would require a report to Congress on the sales of high performance computers to Tier III countries since January 1996. The conferees also agree to a provision (sec. 1213) that would require post-shipment verification of high performance computers sold to covered countries and an annual report on the results of post-shipment verification. Lastly, the conferees direct the GAO to study the national security risks of exporting high performance computers to Tier III countries and to provide an analysis of the foreign availability of high performance computers (sec. 1214).

Subtitle C—Other Matters

Temporary use of general purpose vehicles and nonlethal military equipment under acquisition and cross servicing agreements (sec. 1222)

The House bill contained a provision (sec. 1204) that would amend section 2350(1) of title 10, United States Code, to clarify the conditions under which the Department of Defense may enter into acquisition and cross servicing agreements, and define certain provisions of the United States Munitions List to apply under those conditions in order to permit the Department of Defense to use general purpose vehicles and nonlethal military equipment in contingency military operations.

The Senate amendment contained no similar provision.

The conferees direct the Secretary of Defense to provide a report to the congressional defense committees by May 1, 1998 on the Department's use of this authority to enter acquisition and cross servicing agreements that would permit the temporary use of general purpose vehicles and nonlethal military equipment in contingency military operations.

Sense of Congress and reports regarding financial costs of enlargement of the North Atlantic Treaty Organization (sec. 1223)

The House bill contained a provision (sec. 1207) that would limit the amount spent by the United States on enlarging the membership of the North Atlantic Treaty Organization (NATO) to ten percent of the cost of expansion, or a total of $2.0 billion, whichever is less, for fiscal years 1998 through 2010.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include findings on the differing assessments of the costs of enlarging NATO in reports submitted to Congress by the Department of Defense, the Congressional Budget Office and the RAND Corporation, and the General Accounting Office; would express the sense of Congress that the costs associated with enlarging the Alliance will be major factors during Senate consideration of the instruments of ratification, and the congressional authorization and appropriation of funds. The provision would require the Secretary of Defense to provide to Congress by March 31, 1998, an assessment of the NATO analysis of the military requirements and the estimated financial costs to the Alliance of integrating Poland, the Czech Republic, and Hungary into NATO. In addition, the provision would require the Secretary of Defense to submit with the fiscal year 1999 budget a report on the costs of NATO enlargement reflected in the Department of Defense budget and with appropriate detail in the budget justification materials submitted to Congress.

Sense of Congress regarding expansion of the North Atlantic Treaty Organization (sec. 1224)

The Senate amendment contained a provision (sec. 1087) that would express the sense of the Senate commending the North Atlantic Treaty Organization (NATO) for its commitment to review the prospect of further enlarging the Alliance in 1999, and for its recognition of progress made by Romania

and Slovenia in meeting the guidelines for prospective membership in NATO.

The House bill contained no similar provision.

The House recedes with a technical and clarifying amendment.

Sense of the Congress relating to level of United States military personnel in the East Asia and Pacific region (sec. 1225)

The House bill contained a provision (sec. 1208) that would express the sense of Congress that the United States should maintain at least approximately 100,000 U.S. military personnel in the East Asia-Pacific region to ensure stability in that critical area.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Report on future military capabilities and strategy of the People's Republic of China (sec. 1226)

The House bill contained a provision (sec. 1203) that would require the Department of Defense to prepare an assessment of the future military capabilities and strategy of the People's Republic of China.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Sense of Congress on need for Russian openness on the Yamantau Mountain Project (sec. 1227)

The House bill contained a provision (sec. 1209) that would express the sense of Congress for the need for more openness on the part of the Russian government on the purpose of a massive underground facility at Yamantau Mountain.

The Senate amendment did not contain a similar provision.

The Senate recedes with a clarifying amendment.

The United States and Russia have been working to establish a new strategic relationship based on cooperation and openness, which has resulted in the conclusion of several far-reaching arms control agreements designed to further reduce bilateral threats and to limit the proliferation of weapons of mass destruction. Despite good faith efforts on both sides to comply with the letter and spirit of these agreements, the conferees are concerned about reports that a massive underground facility is currently under construction at Yamantau Mountain. In seeking answers to questions about the purpose of the project at Yamantau Mountain, it appears that the Russian Federation has deliberately misled the United States about the purpose of this facility on a number of occasions. The facility appears to be designed to survive a nuclear war and appears to exceed reasonable defense requirements.

The Russian Federation has offered numerous stories about the construction activities at Yamantau Mountain and the city of Mezhgorye and the purpose of such activities. In 1991 and 1992, the commandant of Beloretsk-15 and Beloretsk-16, People's Deputy Leonid A. Tskirkunov told two stories about these activities. First, he said they were building a mining and ore-processing complex. Later, he changed that explanation to one of constructing an underground food and clothing warehouse. In 1992, a former communist official in the region, M.Z. Shakiorov, alleged that the Russian Federation was building a shelter for its national leadership, in case of war.

In 1996, sources from the Russian newspaper Segodnya claimed that the facility was associated with a nuclear retaliatory command and control system for strategic missiles known as ''Dead Hand.'' This claim was denied by General Igor Sergeyev, the Commander-in-Chief of the Strategic Rocket Forces. In that same year, a Deputy of the State Assembly, R. Zhukov, claimed the facility at Yamantau Mountain belonged to the ''atomic scientists.''

The United States has learned that Russia's 1997 budget lists the Yamantau Mountain project as a Ministry of Defense installation on a closed territory. However, First Deputy of Defense Andre Kokoshin denied Ministry of Defense involvement with the activity.

The conferees are concerned that the Russian Federation should be more forthcoming in providing the United States with more information on the Yamantau Mountain Project. The sense of Congress expressed the need for the Federation to provide the United States with a detailed explanation of the purpose of the Yamantau Mountain Project, and that the Russian Government allow the United States Delegations to visit the facility, and facilities in the southern and northern settlements located near Yamantau.

Assessment of the Cuban threat to United States national security (sec. 1228)

The Senate amendment contained a provision (sec. 1046) that would require the Department of Defense to submit a report on an assessment of the threat posed by Cuba to U.S. national security.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Report on Helsinki Joint Statement (sec. 1229)

The Senate amendment contained a provision (sec. 1045) that would require the President to submit a report to Congress on the agreement reached by the United States and the Russian Federation on future reductions in nuclear forces and the United States approach to implementing the Helsinki Joint Statement, to include verification implications.

The House bill contained no similar provision.

The House recedes.

Commendation of Mexico on free and fair elections (sec. 1230)

The Senate amendment contained a provision (sec. 3601) that would express a sense of Congress that Mexico is to be commended for its holding of free and fair elections on July 6, 1997.

The House bill contained no similar provision.

The House recedes.

Sense of Congress regarding Cambodia (sec. 1231)

The Senate amendment contained a provision (sec. 3602) that would express a sense of Congress that the conditions that existed in Cambodia prior to the actions of Hun Sen, who ousted his democratically-elected co-Prime Minister Prince Ranariddh, should be restored, and that assistance by the United States and other donor nations to Cambodia should be suspended until that time.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Congratulating Governor Christopher Patten of Hong Kong (sec. 1232)

The Senate amendment contained a provision (sec. 3603) that would express a sense of Congress that Christopher Patten, British governor of Hong Kong until the time the British colony was turned over to the People's Republic of China, is to be commended for his leadership of Hong Kong under British rule.

The House bill contained no similar provision.

The House recedes.

TITLE XIII—ARMS CONTROL AND RELATED MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Presidential report concerning detargeting of Russian strategic missiles (sec. 1301)

The House bill contained a provision (sec. 1206) that would require the President to certify to Congress by January 1, 1998 whether the United States is able to verify by technical means that Russian intercontinental ballistic missiles (ICBMs) are not targeted at the United States; the length of time it would take for a detargeted Russian ICBM to be retargeted against a site in the United States; and whether a detargeted Russian ICBM would be automatically retargeted against a site in the United States in the event of an accidental launch.

The Senate amendment contained no similar provision.

The conferees note that the Secretary of Defense was directed in the House report on H.R. 3230 (H. Rept. 104–563), the National Defense Authorization Act for Fiscal Year 1997, to provide a report on the verifiability and military significance of the Moscow Declaration of January 14, 1994. On May 16, 1997, the Secretary submitted a report to Congress which stated that the United States could not independently verify that Russian intercontinental ballistic missiles were no longer targeted at the United States and that detargeted Russian ICBMs could be quickly retargeted within minutes. With regard to detargeted U.S. ICBMs, the report stated that these missiles could be retargeted in a short time.

The conferees believe that efforts between the United States and the Russian Federation to lower the threat of a massive nuclear exchange are laudable goals and encourage measures that would make a substantive contribution toward enhancing strategic stability. The conferees agree that it is important to have a full understanding of what particular agreements mean relative to achieving those goals. The conferees support a careful analysis of the advantages and limitations of the missile detargeting agreement. Therefore, the conferees agree to a provision that would require the President to submit a report to Congress that addresses issues regarding the detargeting of Russian strategic missiles.

Limitation on retirement or dismantlement of strategic nuclear delivery systems (sec. 1302)

The Senate amendment contained a provision (sec. 1054) that would preclude the reduction of certain strategic delivery systems unless the START II Treaty enters into force and the President waives this prohibition. The provision would also prohibit substantial early deactivation of strategic nuclear delivery systems, such as warhead removal, unless the Secretary of Defense meets certain requirements, as specified in the provision. Finally, the provision would require the Secretary of Defense to prepare a plan for the contingency sustainment of a START I force beyond 1998, should START II not enter into force by 2004.

The House bill contained no similar provision.

The House recedes with an amendment that would prohibit the obligation of funds available to the Department of Defense during fiscal year 1998 to implement an agreement that results in substantial early deactivations of U.S. strategic forces until the President makes certain determinations.

Assistance for facilities subject to inspection under the Chemical Weapons Convention (sec. 1303)

The Senate amendment contained a provision (sec. 1057) that would allow the Department of Defense (DOD), through the On-Site

Inspection Agency (OSIA), to provide technical assistance to companies that are subject to routine or challenge inspection under the terms of the Chemical Weapons Convention (CWC), provided that OSIA is reimbursed for such assistance by the U.S. National Authority established under the CWC.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that the CWC imposes new obligations on private U.S. companies that may lead them to seek assistance from DOD in preparing their facilities for inspections to be carried out under the Convention's terms. The conferees recognize that the On-Site Inspection Agency possesses the technical experience to assist companies in this process. However, this is not part of OSIA's mission and the DOD would incur significant costs in providing such assistance. To this end, the conferees agree that DOD may not provide any CWC-related assistance to private companies unless the Secretary of Defense determines that the Department will be reimbursed for the costs incurred in providing such assistance.

The conferees note that the CWC implementing legislation passed by the Senate contains a similar provision. The conferees expect DOD to adhere to the additional requirements that govern the process by which the Department is to be reimbursed.

Transfers of authorizations for high-priority counterproliferation programs (sec. 1304)

The Senate amendment contained a provision (sec. 217) that would authorize the Secretary of Defense to transfer up to $50.0 million from funds authorized in fiscal year 1998 for the Department of Defense to conduct counterproliferation programs, projects, and activities that are identified as a high priority by the Counterproliferation Review Committee.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Advice to the President and Congress regarding the safety, security, and reliability of United States nuclear weapons stockpile (sec. 1305)

The Senate amendment contained a provision (sec. 1084) that would extend to the directors of Department of Energy nuclear weapons laboratories, the Commander in Chief of the U.S. Strategic Command, and any member of the Joint Nuclear Weapons Council protection against adverse action by employees of the Federal Government in cases where those individuals gave advice or opinions to the President or Congress relating to a safety, security, or reliability issue with the nuclear weapons stockpile.

The House bill contained no similar provision.

The House recedes with an amendment that would modify section 3159(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) to require that reports on problems with the nuclear weapons stockpile prepared by the directors of the nuclear weapons laboratories be submitted to the President, in addition to Congress, and to extend protection to the Department of Energy nuclear weapons production plant managers. Section 3159(b) would be modified to require the Department of Energy Assistant Secretary for Defense Programs to forward any such reports in their entirety, with any comments the Assistant Secretary deems appropriate, within ten days.

The conferees note that the Congress has frequently expressed its view that the stewards of the nuclear weapons stockpile must freely give their best advice on the safety and reliability of the stockpile. The conferees note that earlier legislation has provided for reports on such advice.

Reconstitution of Commission to Assess the Ballistic Missile Threat to the United States (sec. 1306)

The conferees agree to include a provision that would extend by one year the time for the Commission to Assess the Ballistic Missile Threat to the United States, established pursuant to Subtitle B of Title XIII of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201), to complete its original charter.

Sense of Congress regarding the relationship between environmental laws and United States obligations under the Chemical Weapons Convention (sec. 1307)

The Senate amendment contained a provision (sec. 1058) that would express the sense of the Senate that the President should use the authority available under existing law to ensure that the United States is able to construct and operate the facilities necessary to destroy the United States stockpile of lethal chemical agents and munitions within the time allowed by the Chemical Weapons Convention (CWC) and that the President should encourage negotiations between appropriate Federal Government officials and officials of the State and local governments concerned to attempt to meet their concerns about the actions being taken to carry out the obligations of the United States under the convention.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the provision to express the sense of Congress regarding obligations of the United States under the CWC and would add findings from a February 1997 General Accounting Office study regarding matters that affect the schedule and costs of the chemical demilitarization program.

Extension of counterproliferation authorities for support of United Nations Special Commission on Iraq (sec. 1308)

The House bill contained a provision (sec. 1202) that would extend the authority through fiscal year 1998 for the Department of Defense (DOD) to continue to provide support to the United Nations Special Commission on Iraq (UNSCOM).

The Senate amendment contained a similar provision (sec. 1056).

The Senate recedes with a technical amendment.

The conferees support the extension of this authority given ongoing concerns over Iraq's continued possession of weapons of mass destruction and missile delivery systems. However, the conferees are concerned that the DOD role in providing assistance has transitioned from a short-term requirement to a semi-permanent element of the effort to contain Iraq.

Pursuant to United Nations Security Council Resolutions 986 and 1111, which took effect December 10, 1996 and June 8, 1997, respectively, Iraq is authorized to sell limited quantities of oil with most of the proceeds going to pay for humanitarian needs and to support UNSCOM activities. In addition, UNSCOM activities are also funded by frozen Iraqi assets and from direct and indirect contributions from other nations. The conferees would note that the Department of Defense is the primary source of U.S. government funding for the UNSCOM mission, providing specialized equipment and services otherwise unavailable to UNSCOM.

The conferees believe that continued vigilance is warranted to ensure that Iraq does not acquire or maintain proscribed military capabilities. However, the conferees do not believe that the costs of providing specialized support to UNSCOM should be permanently borne by the Department of Defense. To this end, the conferees support efforts by the Department to seek reimbursement for expenses incurred in providing support to UNSCOM and encourage the administration to negotiate formal agreements to this effect.

Annual report on moratorium on use by Armed Forces of antipersonnel landmines (sec. 1309)

The House bill contained a provision (sec. 1055) that would require the Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff, to certify to Congress prior to the implementation of any moratorium by law on the use of antipersonnel landmines (APL) by U.S. Armed Forces, that any such moratorium would not adversely affect the ability of U.S. Armed Forces to defend themselves, until such time as effective substitutes exist to replace antipersonnel landmines.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would contain findings describing the actions and decisions by the President relating to U.S. policy regarding antipersonnel landmines and the status of current law; express the sense of Congress regarding implementation of a landmine moratorium and support for development of alternatives to antipersonnel landmines. The provision would also require the Secretary of Defense to submit an annual report describing the military utility of the continued U.S. deployment of antipersonnel landmines, progress in developing and fielding systems that are effective substitutes for antipersonnel landmines, their costs and an estimated timetable for developing and fielding those systems, the number and type of pure antipersonnel and mixed anti-tank mine systems, the cost and effect of the elimination of the former and the impact of their elimination on the deterrence and warfighting ability of U.S. forces, and the benefits to U.S. military and civilian personnel of an international treaty banning the production, use, transfer and stockpiling of antipersonnel landmines.

The conferees endorse the President's September 17, 1997 pledge to increase U.S. support for worldwide demining efforts.

Further, the conferees believe that international support, and increased funding, for practical efforts such as clearing landmines and providing medical assistance and rehabilitation to the wounded, could be highly effective in reducing the landmine casualty count and reclaiming land for its intended use.

TITLE XIV—COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

LEGISLATIVE PROVISIONS ADOPTED

Cooperative threat reduction (CTR) program (secs. 1401–1410)

The budget request included $382.2 million for the Cooperative Threat Reduction (CTR) program.

The House bill contained provisions (secs. 1101–1111) that would: authorize $284.7 million for the Cooperative Threat Reduction (CTR) program, a $97.5 million reduction to the budget request; specify CTR programs; allocate fiscal year 1998 funding for the various CTR programs and activities; prohibit the use of CTR funds for specific purposes; prohibit the obligation of CTR funds until various reports, notifications, and certifications are submitted to the Congress; make prior year unobligated CTR balances available for three fiscal years; and make fiscal year 1998 CTR funds available for three fiscal

years. The House bill would also add funds for the Department of Energy (DOE) budget to carry out nuclear reactor core conversion activities in Russia under the auspices of the CTR program.

The Senate amendment contained provisions (secs. 1009 and 1085) that would authorize the budget request of $382.2 million; would make funds authorized in fiscal year 1997 for international border security activities available for three years; and would provide the Secretary of Defense authority to exceed the sublimits established in fiscal years 1996 and 1997 for CTR activities. The provisions would also limit the obligation or expenditure of certain fiscal year 1998 funds until receipt of either a certification by the President regarding Russian progress in solving outstanding compliance issues under bilateral chemical weapons agreements, or a presidential certification that U.S. national security interests would be undermined if CTR chemical weapons destruction activities were not carried out.

The conferees agree to a series of provisions that would authorize $382.2 million for the CTR program, establish sublimits for CTR activities and would provide the Secretary of Defense with authority to exceed the established sublimits in fiscal years 1996, 1997, and 1998 for strategic elimination activities in Russia and Ukraine. The obligation of fiscal year 1998 CTR funds is contingent upon the submission of various reports, notifications, and certifications to the Congress. The use of the word ''agreements'' in these provisions does not preclude the possibility that the conditions set forth can be met by the implementing agreements routinely entered into between the Department of Defense (DOD) and the CTR partner for specific projects.

The conferees reiterate their traditional support for CTR assistance in the elimination of strategic nuclear weapons systems in Russia and Ukraine. However, given the economic and financial conditions in Russia, the conferees are concerned about Russia's willingness to contribute its share of the costs of eliminating its strategic offensive arms and its declared stockpile of chemical weapons. As noted in recent U.S. resolutions of ratification of arms control agreements, the U.S. believes that Russia must contribute its share of the costs of complying with its arms control commitments.

The conferees note that the Department of Defense is seeking congressional approval of fiscal year 1998 funds for certain projects where fiscal year 1997 funds have not yet been fully obligated because of the lack of the necessary implementing agreements. As a general management principle, the conferees believe that fiscal year 1998 funds should not be obligated for those projects until the fiscal year 1997 CTR funds have been obligated.

The conferees are also concerned about recent reports that Russia has applied taxes, duties, overhead charges, and other arbitrary assessments on U.S. assistance. The conferees agree to a provision that would require the Secretary of Defense to report to the Congress on the impact of these charges on the CTR program, and what can be done to reduce or eliminate such charges.

Finally, the conferees maintain their belief that the proliferation of weapons of mass destruction, delivery systems, components, materials, and related technologies, represents a growing threat to the United States and to U.S. interests. In this regard, the conferees note that section 1424 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) authorized $15.0 million of CTR funds for international border security. This program would provide assistance to customs officials and border guard officials in the independent states of the former Soviet Union, such as Azerbaijan, Armenia, Georgia, the Baltic states, and other countries in Eastern Europe. The conferees understand that funds authorized for this activity have not been obligated or expended. The conferees note the continued congressional support for this activity and direct the Department to take appropriate actions to establish this activity and to obligate the funds available as soon as possible. These activities provide an early line of defense by improving the detection and interdiction of such weapons, materials, and technologies before they cross international borders.

TITLE XV—FEDERAL CHARTER FOR THE AIR FORCE SERGEANTS

LEGISLATIVE PROVISIONS ADOPTED

Federal Charter for the Air Force Sergeants Association (secs. 1501–1516)

The Senate amendment contained a series of provisions (sec. 1201–1216) that would grant a federal charter for the Air Force Sergeants Association.

The House bill contained no similar provision.

The House recedes.

The leadership of the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives recognize the current moratorium on granting of federal charters and agree that, in the future, amendments to the National Defense Authorization Bill that would grant a federal charter should not be included in a conference agreement unless favorably recommended by the committees of jurisdiction.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

OVERVIEW

The budget request for fiscal year 1998 included $8,383,248,000 for military construction and family housing.

The House bill would authorize $9,123,748,000 for military construction and family housing.

The Senate amendment would provide $9,077,061,000 for this purpose.

The conferees recommend authorization of appropriations of $9,173,748,000 for military construction and family housing, including general reductions and termination of prior year projects.

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
MILITARY CONSTRUCTION					
Military Construction, Army	595,277	706,027	631,277	103,250	698,527
Military Construction, Navy	540,106	675,806	601,114	131,460	671,566
Military Construction, Air Force	495,782	638,447	666,032	178,615	674,397
Military Construction, Defense-wide	673,633	613,233	680,003	(28,391)	645,242
Military Construction, Army National Guard	45,098	45,098	170,577	68,652	113,750
Military Construction, Air National Guard	60,225	137,275	191,169	130,219	190,444
Military Construction, Army Reserve	39,112	69,831	87,640	27,155	66,267
Military Construction, Naval Reserve	13,921	40,561	21,213	33,408	47,329
Military Construction, Air Force Reserve	14,530	34,443	36,680	15,713	30,243
Base Realignment and Closure II, III, IV	2,060,854	2,060,854	2,060,854	0	2,060,854
NATO Infrastructure	176,300	166,300	152,600	(23,700)	152,600
Total Military Construction	4,714,838	5,187,875	5,299,159	636,381	5,351,219
FAMILY HOUSING					
Family Housing Construction, Army	143,000	200,400	176,915	54,300	197,300
Family Housing Support, Army	1,148,937	1,148,937	1,143,286	(34,298)	1,114,639
Family Housing Construction, Navy and Marine Corps	278,933	400,715	321,306	106,436	385,369
Family Housing Support, Navy and Marine Corps	976,504	976,504	976,504	(6,100)	970,404
Family Housing Construction, Air Force	253,128	341,409	297,183	42,581	295,709

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Family Housing Support, Air Force	830,234	830,234	830,234	(8,700)	821,534
Family Housing Construction, Defense-wide	4,950	4,950	4,950	0	4,950
Family Housing Support, Defense-wide	32,724	32,724	32,724	(100)	32,624
Total Family Housing	3,668,410	3,935,873	3,783,102	154,119	3,822,529

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
1	Alabama	Army	Redstone Arsenal	Missile Software Engineering Annex (Phase I)	-	-	27,000	13,000	13,000
2	Alabama	Air Force	Maxwell AFB	OTS Academic Facility	4,479	4,479	4,479		4,479
3	Alabama	Air Force	Maxwell AFB	OTS Fitness Center	1,095	1,095	1,095		1,095
4	Alabama	Air Force	Maxwell AFB	Software Development and Maintenance Fac	-	9,300	-	9,300	9,300
5	Alabama	Chemical Demilitarization	Anniston Chemical Activity	Ammunition Demilitarization Facility	9,900	9,900	9,900		9,900
6	Alabama	Defense Intelligence Agency	Redstone Arsenal	Missile & Space Intelligence Center Fac	32,700	32,700	32,700		32,700
7	Alabama	Air National Guard	Dannelly Field	Munitions Complex/Aircraft Support Shop	-	-	4,800	4,800	4,800
8	Alabama	Air Force Reserve	Maxwell AFB	Consolidated Aircraft Maintenance Fac	-	-	5,200		-
9	Alaska	Air Force	Clear AFS	Alter Dormitories	20,285	20,285	20,285		20,285
10	Alaska	Air Force	Clear AFS	Ballistic Missile Early Warning System Fac	46,784	46,784	46,784		46,784
11	Alaska	Air Force	Elmendorf AFB	Electrical System Upgrade	-	-	6,100	6,100	6,100
12	Alaska	Air Force	Eielson AFB	A-10 Sqd Operations/Aircraft Maint Unit	7,764	7,764	7,764		7,764
13	Alaska	Air Force	Eielson AFB	Potable Water Storage Upgrade	-	-	6,000	6,000	6,000
14	Alaska	Air Force	Indian Mountain Radar Site	Upgrade Petroleum, Oil, and Lubricant Sys	1,991	1,991	1,991		1,991
15	Alaska	Defense Logistics Agency	DFSC Elmendorf AFB	Replace Fuel Tankage	21,700	21,700	21,700		21,700
16	Arizona	Army	Fort Huachuca	Whole Barracks Complex Renewal	20,000	20,000	20,000		20,000
17	Arizona	Navy	Camp Navajo Navy Det	Magazine Modifications (Phase II)	11,426	11,426	11,426		11,426
18	Arizona	Navy	MCAS Yuma	Bachelor Enlisted Quarters	-	12,250	-	12,250	12,250
19	Arizona	Navy	MCAS Yuma	Land Acquisition	-	-	14,700		-
20	Arizona	Air Force	Luke AFB	Land Acquisition, Goldwater Range	-	10,000	-	10,000	10,000
21	Arizona	Army National Guard	Papago Military Reservation	Combined Support Maintenance Shop	-	-	11,000		-
22	Arkansas	Air Force	Little Rock AFB	Control Tower	-	3,400	-	3,400	3,400
23	Arkansas	Chemical Demilitarization	Pine Bluff Chemical Activity	Ammunition Demilitarization Facility	44,000	-	-	(44,000)	-
24	Arkansas	Army National Guard	Hazen	Readiness Center	2,261	2,261	2,261		2,261
25	Arkansas	Army National Guard	Hazen	Organizational Maintenance Shop	1,345	1,345	1,345		1,345
26	Arkansas	Air Force Reserve	Little Rock AFB	Aerial Port Training Facility	-	-	2,000		-
27	California	Army	Fort Irwin	Live Fire Command and Control Facility	-	2,650	-	2,650	2,650
28	California	Army	Fort Irwin	Rotational Wash Point	-	8,500	-	8,500	8,500
29	California	Army	Concord NWS	Ordnance Support Facility	23,000	23,000	23,000		23,000
30	California	Navy	Twenty-Nine Palms MCAGCC	Communication & Electric Main Storage Fac	3,810	3,810	3,810		3,810
31	California	Navy	Camp Pendleton MCAS	Aircraft Maintenance Training Facility	4,300	4,300	4,300		4,300
32	California	Navy	Camp Pendleton MCAS	Aviation Training Area	-	10,130	-		-
33	California	Navy	Camp Pendleton MCAS	Highbay Warehouse	6,880	6,880	6,880		6,880

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
34	California	Navy	Camp Pendleton MCAS	Emergency Spill Control	2,840	2,840	2,840		2,840
35	California	Navy	Miramar MCAS	Enlisted Dining Facility	8,700	8,700	8,700		8,700
36	California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	12,000	12,000	12,000		12,000
37	California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	-	16,120	-	16,120	16,120
38	California	Navy	Camp Pendleton MCB	Bridge Replacement	5,600	5,600	5,600		5,600
39	California	Navy	Camp Pendleton MCB	Child Development Center	-	4,480	-	4,480	4,480
40	California	Navy	Camp Pendleton MCB	River Flood Control Santa Margarita	21,869	21,869	21,869		21,869
41	California	Navy	Coronado NAB	Waterfront Operations Building	-	10,100	-	10,100	10,100
42	California	Navy	El Centro Naval Air Facility	Ordnance Facilities	11,000	11,000	11,000		11,000
43	California	Navy	North Island NAS	Maintenance Support Facilities	15,300	15,300	15,300		15,300
44	California	Navy	North Island NAS	Seawall Upgrade	2,900	2,900	2,900		2,900
45	California	Navy	North Island NAS	Visual System Trainer Building Addition	1,400	1,400	1,400		1,400
46	California	Navy	Port Hueneme	Stormwater Runoff Improvements	-	3,200	-	3,200	3,200
47	California	Air Force	Edwards AFB	Add/Alter Sewer Line	1,394	1,394	1,394		1,394
48	California	Air Force	Edwards AFB	Upgrade Wastewater Treat Plant	1,493	1,493	1,493		1,493
49	California	Air Force	Vandenberg AFB	Launch Operations Control Center	26,876	26,876	26,876		26,876
50	California	Defense Medical Sup Activity	San Diego NS	Environment Preven Med Unit Add/Alt	2,100	2,100	2,100		2,100
51	California	Special Operations Command	NAS North Island	Waterfront Operations Support Facility	7,400	7,400	7,400		7,400
52	California	Army Reserve	Sacramento	USAR Ctr/Org Mnt Shop/Area Mnt Spt Act	20,972	20,972	20,972		20,972
53	California	Navy Reserve	NWS Seal Beach	Marine Corps Reserve Training Complex	6,104	6,104	6,104		6,104
54	California	Navy Reserve	Pasadena	Marine Corps Reserve Center	-	-	6,690	6,690	6,690
55	California	Air National Guard	Fresno Air Terminal	Base Supply Complex	-	7,000	-	7,000	7,000
56	Colorado	Army	Fort Carson	Close Combat Tactical Trainer Building	7,300	7,300	7,300		7,300
57	Colorado	Army	Fort Carson	Rail Yard Expansion (Phase I)	-	16,000	-	16,000	16,000
58	Colorado	Air Force	US Air Force Academy	Upgrade Academic Facility	9,854	9,854	9,854		9,854
59	Colorado	Air Force	US Air Force Academy	Add to and Alter Fitness Center	5,375	5,375	5,375		5,375
60	Colorado	Air Force	Buckley ANGB	Add to Security Police Facility	348	348	348		348
61	Colorado	Air Force	Buckley ANGB	Administration Facility	6,370	6,370	6,370		6,370
62	Colorado	Air Force	Falcon AFS	Defense Access Road	10,551	10,551	10,551		10,551
63	Colorado	Air Force	Peterson AFB	Add to and Alter Dormitory	4,081	4,081	4,081		4,081
64	Colorado	Army National Guard	Fort Carson	MATES Expansion (Ph I)	-	-	2,863		-
65	Colorado	Air National Guard	Buckley ANGB	Upgrade Base Infrastructure Systems	12,800	12,800	12,800		12,800
66	Colorado	Air National Guard	Greeley ANGS	Mobile Ground Station Maint Complex	-	4,700	4,700	4,700	4,700

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
67	Connecticut	Navy	NSB New London	Controlled Industrial Facility	18,300	18,300	18,300		18,300
68	Connecticut	Navy	NSB New London	Child Development Center	-	-	3,660	3,660	3,660
69	Connecticut	Navy	NSB New London	Fire Protection System	-	-	1,600		-
70	Connecticut	Defense Medical Sup Activity	NSB New London	Naval Undersea Medical Institute Add/Alt	2,300	2,300	2,300		2,300
71	Delaware	Air National Guard	New Castle County Airport	Replace Squadron Ops/Aeromed Evac Fac	-	-	7,000	7,000	7,000
72	District Of Columbia	Defense Intelligence Agency	Bolling AFB	Reconfiguration DIAC	7,000	7,000	7,000		7,000
73	District Of Columbia	Navy Reserve	Naval Air Facility Washington	Bachelor Enlisted Quarters	4,640	4,640	4,640		4,640
74	Florida	Navy	Jacksonville NAS	Ordnance Loading Apron	1,330	1,330	1,330		1,330
75	Florida	Navy	Jacksonville NAS	Tactical Support Center	2,150	2,150	2,150		2,150
76	Florida	Navy	Whiting NAS	Runway Upgrades	-	1,300	-	1,300	1,300
77	Florida	Navy	Mayport NS	Pier Improvements	-	17,940	-	17,940	17,940
78	Florida	Air Force	Eglin AFB Auxiliary Field 9	Dormitory	6,470	6,470	6,470		6,470
79	Florida	Air Force	MacDill AFB	Child Development Center	-	3,350	-	3,350	3,350
80	Florida	Air Force	MacDill AFB	Education Center and Library	-	4,750	-	4,750	4,750
81	Florida	Air Force	MacDill AFB	Remediate Small Arms Range	1,543	1,543	1,543		1,543
82	Florida	Defense Logistics Agency	Jacksonville NAS	Replace Fuel Tankage	9,800	9,800	9,800		9,800
83	Florida	Defense Medical Sup Activity	Pensacola NAS	Medical Clinic Addition (NAMI)	2,750	2,750	2,750		2,750
84	Florida	Special Operations Command	Eglin AFB Auxiliary Field 3	Assault Strip Runway	-	-	5,100		-
85	Florida	Special Operations Command	Eglin AFB Auxiliary Field 9	Squadron Operations/AMU AC-130	6,100	6,100	6,100		6,100
86	Florida	Special Operations Command	Eglin AFB Auxiliary Field 9	Security Improvements	2,450	2,450	2,450		2,450
87	Florida	Army National Guard	Ellyson Field	Readiness Center	-	-	3,800		-
88	Florida	Air Force Reserve	Eglin AFB Auxiliary Field 3	Visiting Airmen Quarters	-	7,300	7,300		-
89	Georgia	Army	Fort Gordon	Whole Barracks Complex Renewal	22,000	22,000	22,000		22,000
90	Georgia	Army	Fort Stewart/HAAF	Whole Barracks Complex Renewal (Phase I)	-	17,500	-	11,500	11,500
91	Georgia	Air Force	Moody AFB	Dormitories	-	9,100	9,100		-
92	Georgia	Air Force	Moody AFB	HH-60 Rescue Operations Facility	-	-	6,800	6,800	6,800
93	Georgia	Air Force	Robins AFB	JSTARS-Add/Alter Supply Warehouse	2,538	2,538	2,538		2,538
94	Georgia	Air Force	Robins AFB	JSTARS- Add/Alter Wing Command Post	498	498	498		498
95	Georgia	Air Force	Robins AFB	JSTARS- Age Storage/Shop Facility	5,972	5,972	5,972		5,972
96	Georgia	Air Force	Robins AFB	JSTARS- Aircraft Maintenance Hangar	7,764	7,764	7,764		7,764
97	Georgia	Air Force	Robins AFB	JSTARS- Add/Alter Utilities	1,891	1,891	1,891		1,891
98	Georgia	Air Force	Robins AFB	Physical Fitness Center	-	9,100	-	9,100	9,100
99	Georgia	Defense Medical Sup Activity	Robins AFB	Ambulatory Health Care Center Add/Alt	19,000	19,000	19,000		19,000

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
100	Georgia	Special Operations Command	Fort Stewart/HAAF	Company Operations Facility	2,500	2,500	2,500		2,500
101	Georgia	Special Operations Command	Fort Benning	Battalion & Company Operations Facility	9,814	9,814	9,814		9,814
102	Georgia	Air National Guard	Robins AFB	B-1 Composite Squadron Operations Complex	5,300	5,300	5,300		5,300
103	Georgia	Air National Guard	Robins AFB	B-1 Aircraft Organizational Maint Shops	520	520	520		520
104	Georgia	Air National Guard	Robins AFB	B-1 Power Check Pad and Sound Suppresser	1,000	1,000	1,000		1,000
105	Hawaii	Army	Schofield Barracks	Whole Barracks Complex Renewal	44,000	44,000	44,000		44,000
106	Hawaii	Navy	Fort DeRussey	Asian Pacific Center	-	-	9,500	9,500	9,500
107	Hawaii	Navy	Kaneohe Bay MCAS	Bachelor Enlisted Quarters	19,000	19,000	19,000		19,000
108	Hawaii	Navy	Wahiawa Comms Area Master St	Fitness Center Addition and Renovation	3,900	3,900	3,900		3,900
109	Hawaii	Navy	Pearl Harbor NS	Oily Waste Collection Treatment System	25,000	25,000	25,000		25,000
110	Hawaii	Special Operations Command	Pearl Harbor NS	Advanced SEAL Delivery System Fac (Ph II)	-	-	7,400	7,400	7,400
111	Hawaii	Army National Guard	Wahiawa	Aviation, Fixed Wing Hangar	2,100	2,100	2,100		2,100
112	Hawaii	Army National Guard	Bellows Air Force Station	Add/Alt Admininstrative Facility	-	-	5,232	5,232	5,232
113	Hawaii	DFAS	Pearl Harbor (Ford Island)	DFAS-Regional Finance Center	10,000	10,000	10,000		10,000
114	Hawaii	Air National Guard	Hickham AFB	Replace Base Civil Eng Maint Complex	-	-	4,500		-
115	Idaho	Air Force	Mountain Home AFB	B-1B Dormitory	8,959	8,959	8,959		8,959
116	Idaho	Air Force	Mountain Home AFB	B-1B Armament Shop	2,688	2,688	2,688		2,688
117	Idaho	Air Force	Mountain Home AFB	B-1B Avionics Building	-	-	9,200	9,200	9,200
118	Idaho	Air Force	Mountain Home AFB	B-1B Squadron Ops/Aircraft Maint Unit	6,072	6,072	6,072		6,072
119	Idaho	Air Force	Mountain Home AFB	F-15C Squadron Operations Facility	-	-	3,750	3,750	3,750
120	Idaho	Army National Guard	Gowen Field	Add/Alter Aviation Readiness Center	-	-	3,673		-
121	Idaho	Air National Guard	Boise Airport	C-130 Composite Hangar & Maint Shops	12,000	12,000	12,000		12,000
122	Idaho	Air National Guard	Boise Airport	C-130 Squadron Ops/Aerial Port Training Fac	-	-	8,800	8,800	8,800
123	Illinois	Navy	Great Lakes Naval Hospital	Bachelor Enlisted Quarters (Phase II)	5,200	5,200	5,200		5,200
124	Illinois	Navy	Great Lakes Naval Training Ctr	Fire Station	2,600	2,600	2,600		2,600
125	Illinois	Navy	Great Lakes Naval Training Ctr	Combat Training Pool	9,930	9,930	9,930		9,930
126	Illinois	Navy	Great Lakes Naval Training Ctr	Recreation Center	2,000	2,000	2,000		2,000
127	Illinois	Navy	Great Lakes Naval Training Ctr	Bachelor Enlisted Quarters	26,690	26,690	26,690		26,690
128	Indiana	Army	Crane	Ammunition Containerization Complex (Ph I)	7,700	7,700	7,700		7,700
129	Indiana	Navy	Crane NSWC	Chem-Bio Warfare Detection Center	-	4,120	-	4,120	4,120
130	Indiana	Army National Guard	Camp Atterbury	Multi-Purpose Training Range (MPTR)	10,229	10,229	10,229		10,229
131	Indiana	Air National Guard	Hulman Regional Airport	Replace Fuel Cell/ Corrosion Control & Fire Sta	-	-	5,400		-
132	Indiana	Air National Guard	Fort Wayne IAP	Replace Dining Hall/Medical Tng Facility	-	-	5,900		-

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
133	Indiana	Air Force Reserve	Grissom ARB	Base Civil Engineer Complex	-	8,913	-	8,913	8,913
134	Iowa	Army National Guard	Camp Dodge	Battalion Complex (Phase IV)	4,529	4,529	4,529		4,529
135	Iowa	Air National Guard	Des Moines IAP	Replace Security Police Operations Facility	-	3,900	-		-
136	Kansas	Army	Fort Leavenworth	US Disciplinary Barracks (Phase I)	63,000	20,000	36,500	(43,000)	20,000
137	Kansas	Army	Fort Riley	Whole Barracks Complex Renewal	18,500	18,500	18,500		18,500
138	Kansas	Army	Fort Riley	Close Combat Tactical Trainer Building	7,300	7,300	7,300		7,300
139	Kansas	Air Force	McConnell AFB	Child Development Center	-	5,000	-	5,000	5,000
140	Kansas	Air Force	McConnell AFB	KC-135 Sqd Ops/Aircraft Maintenance Unit	6,669	6,669	6,669		6,669
141	Kansas	Air Force	McConnell AFB	KC-135 Squadron Ops/Aircraft Maintenance	-	-	9,700		-
142	Kansas	Air Force	McConnell AFB	Transportation Complex	-	-	2,850	2,850	2,850
143	Kansas	Army National Guard	Iola	Readiness Center Add/Alter	1,454	1,454	1,454		1,454
144	Kansas	Air National Guard	McConnell AFB	Alter Base Civil Engineer Maintenance Shop	-	2,000	2,000	2,000	2,000
145	Kentucky	Army	Fort Campbell	Education Center (Ph II)	-	6,700	6,700	6,700	6,700
146	Kentucky	Army	Fort Campbell	Tactical Equipment Shop (Ph II)	-	-	9,900	9,900	9,900
147	Kentucky	Army	Fort Campbell	Whole Barracks Complex Renewal	37,000	37,000	37,000		37,000
148	Kentucky	Army	Fort Knox	Qualification Training Range	-	7,200	7,200	7,200	7,200
149	Kentucky	Army	Fort Knox	Whole Barracks Complex Renewal (Ph II)	22,000	22,000	22,000		22,000
150	Kentucky	Defense Medical Sup Activity	Fort Campbell	Consolidated Troop Med/Den Clinic	13,600	13,600	13,600		13,600
151	Kentucky	Army National Guard	Greenville	Western Kentucky Training Range (Ph III)	-	-	9,321	3,639	3,639
152	Louisiana	Air Force	Barksdale AFB	CALCM Integrated Maintenance Complex	11,148	11,148	11,148		11,148
153	Louisiana	Air Force	Barksdale AFB	CALCM Storage Igloos	8,262	8,262	8,262		8,262
154	Louisiana	Army National Guard	Camp Beauregard	Multipurpose Machine Gun Range	-	-	1,292	1,292	1,292
155	Louisiana	Army National Guard	Jackson Barracks	Organization Maintenance Shop	1,516	1,516	1,516		1,516
156	Louisiana	Air National Guard	New Orleans NAS	Base Engineer and Communications Complex	-	5,900	5,900	5,900	5,900
157	Louisiana	Navy Reserve	New Orleans NAS	Bachelor Enlisted Quarters (Ph II)	-	4,520	-	4,520	4,520
158	Louisiana	Navy Reserve	New Orleans NAS	Physical Fitness Center	-	3,550	-	3,550	3,550
159	Maine	Air National Guard	Bangor IAP	Upgrade Base Facilities	-	-	6,500	6,500	6,500
160	Maryland	Navy	St. Inigoes NAVELEX	Maintenance Hangar	-	2,610	-	2,610	2,610
161	Maryland	Navy	Patuxent River NAS	Advance System Integrated Facility (Ph IV)	9,000	9,000	9,000		9,000
162	Maryland	National Security Agency	Fort Meade	FANX III Purchase	25,200	25,200	25,200		25,200
163	Maryland	National Security Agency	Fort Meade	Visitor Control Center	600	600	600		600
164	Maryland	National Security Agency	Fort Meade	Vehicle and Cargo Inspection Facility	4,000	4,000	4,000	(100)	3,900
165	Maryland	Defense Medical Sup Activity	Fort Detrick	Health/Dental Clinic	4,650	4,650	4,650		4,650

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
166	Maryland	Defense Medical Sup Activity	Forest Glen	Army Institute of Research - Phase V	20,000	20,000	20,000		20,000
167	Maryland	Army National Guard	Annapolis	Add/Alt Readiness Center	-	-	2,947	2,947	2,947
168	Massachusetts	Defense Logistics Agency	DFSC Westover AFB	Jet Fuel Storage Complex	4,700	4,700	4,700		4,700
169	Massachusetts	Air National Guard	Barnes ANGB	Replace Dining Hall	-	3,050	3,050	3,050	3,050
170	Massachusetts	Navy Reserve	Westover ARB	Building Renovation	-	4,090	-	4,090	4,090
171	Massachusetts	Air Force Reserve	Westover ARB	Fire Training Facility	1,800	1,800	1,800		1,800
172	Michigan	Army National Guard	Augusta	Readiness Center	-	-	6,356	6,356	6,356
173	Michigan	Air National Guard	Alpena County Regional Airport	ACTS Range Support & RAPCON Facility	5,000	5,000	5,000		5,000
174	Michigan	Air National Guard	Selfridge ANGB	Replace Vehicle Maint/Commo Complex	-	-	9,000	9,000	9,000
175	Michigan	Army Reserve	Walker	Readiness Center/Organizational Maint Shop	-	-	9,439		-
176	Minnesota	Air National Guard	Minneapolis St. Paul IAP	Replace Base Civil Engineer Mnt Complex	-	4,600	-	4,600	4,600
177	Minnesota	Air National Guard	Minneapolis St. Paul IAP	Vehicle Wash Facility	360	360	360		360
178	Minnesota	Air Force Reserve	Minneapolis St. Paul IAP	Add/Alter Corrosion Control Facility	1,550	1,550	1,550		1,550
179	Mississippi	Navy	Gulfport NCBC	Bachelor Enlisted Quarters (Ph 1 & 2)	-	-	22,440		-
180	Mississippi	Navy	Meridian NAS	Renovate Three Bachelor Enlisted Quarters	-	7,050	-	7,050	7,050
181	Mississippi	Air Force	Keesler AFB	Student Dormitories	30,855	30,855	30,855		30,855
182	Mississippi	Special Operations Command	Mississippi Army Ammo Plant	Operations and Maintenance Facility	-	-	9,900	9,900	9,900
183	Mississippi	Army National Guard	Senatobia	Readiness Center	-	-	4,425	4,425	4,425
184	Mississippi	Air National Guard	Gulfport	Regional Fire Training Facility	900	900	900		900
185	Mississippi	Air National Guard	Gulfport	Replace Troop Training Quarters/Dining Hall	-	9,500	-	9,500	9,500
186	Mississippi	Air National Guard	Key Field	Regional KC-135 Simulation Training Center	-	2,000	2,000	2,000	2,000
187	Mississippi	Air National Guard	Key Field	Replace Dining Hall	-	3,200	3,200	3,200	3,200
188	Missouri	Army	Fort Leonard Wood	Fire Station	-	3,200	-	3,200	3,200
189	Missouri	Air Force	Whiteman AFB	B-2 Aircraft Maintenance Docks	17,419	17,419	17,419		17,419
190	Missouri	Air Force	Whiteman AFB	B-2 Low Observatory Restoration Facility (Ph I)	-	12,000	-		-
191	Missouri	Army National Guard	Macon	Armory	-	-	3,210	3,210	3,210
192	Montana	Air Force	Malmstrom AFB	Add /Alter Airmen Dining Facility	-	-	4,500	4,500	4,500
193	Montana	Army National Guard	Billings	Armed Forces Reserve Center	-	-	14,950	14,950	14,950
194	Nebraska	Air Force	Offutt AFB	Dormitories	-	-	6,900		-
195	Nevada	Air Force	Nellis AFB	Land Acquisition	-	-	5,900		-
196	Nevada	Air Force	Nellis AFB	Munitions Maitenance Facility	-	1,950	-	1,950	1,950
197	Nevada	Air National Guard	Reno /Tahoe IAP	C-130 Aerial Port Training Facility	-	-	2,950	2,950	2,950
198	New Jersey	Army	Fort Monmouth	Fire Station	-	2,050	-	2,050	2,050

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Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
199	New Jersey	Air Force	McGuire AFB	Air Mobility Group (AMOG) Warehouse	9,954	9,954	9,954		9,954
200	New Jersey	Air Force	McGuire AFB	Large Fire Station	-	8,800	-	8,800	8,800
201	New Jersey	Defense Medical Sup Activity	McGuire AFB	Ambulatory Health Care Center Replace	35,217	35,217	35,217		35,217
202	New Jersey	Army Reserve	Fort Dix	Ammunition Supply Facility	-	9,031	-		-
203	New Mexico	Army	White Sands Missile Range	Launch Complex Revitalization	-	6,900	-	6,900	6,900
204	New Mexico	Army	White Sands Missile Range	National Range Control Center (Phase II)	18,000	18,000	18,000		18,000
205	New Mexico	Air Force	Cannon AFB	F-16 Missile Maintenance Shop	-	-	2,900		-
206	New Mexico	Air Force	Kirtland AFB	Flight Simulation Training Facility	-	-	14,000	14,000	14,000
207	New Mexico	Air Force	Kirtland AFB	Replace Manzano Bridge	-	-	6,300	6,300	6,300
208	New Mexico	Defense Medical Sup Activity	Holloman AFB	Dental Clinic Replacement	3,000	3,000	3,000		3,000
209	New Mexico	Army National Guard	Taos	Readiness Center	-	-	3,225		-
210	New Mexico	Air National Guard	Kirtland AFB	Add/Alter Squadron Operations Facility	-	-	2,800		-
211	New Mexico	Air National Guard	Kirtland AFB	Composite Support Facility	-	-	3,100		-
212	New York	Army	Fort Drum	Aerial Gunnery Range	-	17,500	-	9,000	9,000
213	New York	Army	Fort Drum	Military Training and Education Center	-	6,900	-	6,900	6,900
214	New York	Air National Guard	Gabreski Airport	Replace Vehicle and ASE Maint Complex	-	-	4,250		-
215	New York	Air Force Reserve	Niagara Falls IAP	Consolidated Training Facility	-	-	2,100	2,100	2,100
216	New York	Air National Guard	Schenectady County Airport	Fuel Cell and Corrosion Control Hangar	5,700	5,700	5,700		5,700
217	New York	Air National Guard	Stratton ANGB	Composite Support Complex	-	7,500	-	7,500	7,500
218	North Carolina	Army	Fort Bragg	Military Operations on Urban Terrain Tng Comp	-	7,900	6,500	7,900	7,900
219	North Carolina	Army	Fort Bragg	Upgrade Two Barracks in Area D	-	9,800	-	9,800	9,800
220	North Carolina	Navy	Cherry Point MCAS	Operations And Maintenance Facs	8,800	8,800	8,800		8,800
221	North Carolina	Navy	New River MCAS	Tactical Support Van Pads	2,700	2,700	2,700		2,700
222	North Carolina	Navy	New River MCAS	Bachelor Enlisted Quarters	10,600	10,600	10,600		10,600
223	North Carolina	Navy	New River MCAS	Aviation Maintenance Training Facility	6,600	6,600	6,600		6,600
224	North Carolina	Air Force	Pope AFB	Dormitories	8,356	8,356	8,356		8,356
225	North Carolina	Air Force	Pope AFB	Dormitories	-	9,700	-		-
226	North Carolina	Air Force	Pope AFB	Family Services Center	-	2,600	-	2,600	2,600
227	North Carolina	Special Operations Command	Fort Bragg	Medical Training Barracks	-	-	8,300	8,300	8,300
228	North Carolina	Special Operations Command	Fort Bragg	Security Improvements	500	500	500		500
229	North Carolina	Special Operations Command	Fort Bragg	Electronics Maintenance Facility	1,000	1,000	1,000		1,000
230	North Carolina	Air National Guard	Charlotte/Douglas MAP	Alter Fuel Sys Maint & Corr Control Facility	2,550	2,550	2,550		2,550
231	North Dakota	Air Force	Grand Forks AFB	KC-135 Add/Alter Flight Simulator Facility	1,493	1,493	1,493		1,493

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232	North Dakota	Air Force	Grand Forks AFB	KC-135 Squadron Ops/Aircraft Maint Unit	7,067	7,067	7,067		7,067
233	North Dakota	Air Force	Minot AFB	Fire/Crash Rescue Station	-	5,200	5,200	5,200	5,200
234	Ohio	Air Force	Wright-Patterson AFB	Acquisition Management Complex (Ph4A)	-	-	22,000		-
235	Ohio	Air Force	Wright-Patterson AFB	Child Development Center	-	8,600	-	8,600	8,600
236	Ohio	Air Force	Wright-Patterson AFB	Renovate Acquisition Support Facility	10,750	10,750	10,750		10,750
237	Ohio	Defense Medical Sup Activity	Wright-Patterson AFB	Composite Medical Facility Alt	2,750	2,750	2,750		2,750
238	Ohio	Air National Guard	Rickenbacker ANGB	Fuel Cell and Corrosion Control Facility	-	5,500	5,700	5,700	5,700
239	Ohio	Air National Guard	Springfield-Beckley MAP	Base Supply Complex	-	4,350	5,500	5,500	5,500
240	Ohio	Air Force Reserve	Youngstown MAP	Add/Alter Miscellaneous Maintenance Facility	1,000	1,000	1,000		1,000
241	Ohio	Air Force Reserve	Youngstown MAP	Add/Alter Base Supply	2,800	2,800	2,800		2,800
242	Ohio	Air Force Reserve	Youngstown MAP	Add/Alter Squadron Operations Facility	1,400	1,400	1,400		1,400
243	Ohio	DFAS	Columbus Center	DFAS-Regional Finance Center	23,922	23,922	23,922		23,922
244	Oklahoma	Army	Fort Sill	Whole Barracks Complex Renewal	-	8,000	-	8,000	8,000
245	Oklahoma	Air Force	Altus AFB	Land Purchase Clear Zone	-	-	11,000	11,000	11,000
246	Oklahoma	Air Force	Tinker AFB	B-2 Add/Alter Software Maintenance Facility	9,655	9,655	9,655		9,655
247	Oklahoma	Air Force	Vance AFB	Base Engineering Complex	-	6,700	7,700	7,700	7,700
248	Oklahoma	Air National Guard	Will Rogers World Airport	Replace Aeromedical Evacuation Tng Facility	-	-	3,100	3,100	3,100
249	Oregon	Army National Guard	Salem	Armed Forces Reserve Center	-	-	11,807		-
250	Oregon	Air National Guard	Klamath Falls IAP	Vehicle Refueling Shop & Paint Bay	520	520	520		520
251	Oregon	Defense-Wide	Umatilla Chemical Depot	Ammunition Demilitarization Facility	57,427	57,427	57,427		57,427
252	Pennsylvania	Defense Logistics Agency	Def Distr New Cumberland - DDSP	Addition to Distribution Center	15,500	15,500	15,500		15,500
253	Pennsylvania	Army Reserve	Oakdale	Reserve Center/Organ Maint/Area Maint Spt	-	-	24,914	6,000	6,000
254	Pennsylvania	Navy Reserve	Johnstown	Reserve Hangar and Training Center	-	13,980	-	13,980	13,980
255	Rhode Island	Navy	Newport Naval Underseas War Ctr	Underwater Weapon System Laboratory	8,900	8,900	8,900		8,900
256	Rhode Island	Air National Guard	Quonset State Airport	Add To Fuel Sys/Corr Control Maint Facility	355	355	355		355
257	South Carolina	Army	Fort Jackson	Emergency Services Center	-	5,400	-		-
258	South Carolina	Army	Charleston NWS	Army Strategic Maintenance Complex (Ph III)	7,700	7,700	7,700		7,700
259	South Carolina	Navy	Beaufort MCAS	Bachelor Enlisted Quarters	-	15,330	-	15,330	15,330
260	South Carolina	Navy	Beaufort MCAS	Combat Vehicle Maintenance Shop	-	2,400	-	2,400	2,400
261	South Carolina	Navy	Parris Island Marine Recruit Depot	Indoor Simulator Marksman Training Facility	3,200	3,200	3,200		3,200
262	South Carolina	Air Force	Shaw AFB	Information Warfare Sqd Ops Facility	6,072	6,072	6,072		6,072
263	South Carolina	Army National Guard	Leesburg Training Site	Regional Simulation Center	-	-	3,823	3,823	3,823
264	South Carolina	Air National Guard	McEntire ANGB	Add/Alter Fuel Cell & Corrosion Control Fac	1,500	1,500	1,500		1,500

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265	South Carolina	Air National Guard	McEntire ANGB	Dining Facility/Joint Medical Training Facility	-	-	7,000	7,000	7,000
266	South Dakota	Air Force	Ellsworth AFB	Fire/Crash Rescue Station	-	6,600	6,600	6,600	6,600
267	South Dakota	Army National Guard	Rapid City	Aviation Support Facility	-	-	5,200	5,200	5,200
268	Tennessee	Air Force	Arnold AFB	Atmospheric Air Dryer Facility	-	9,900	-	9,900	9,900
269	Tennessee	Air Force	Arnold Eng Dev Center	Wastewater Treatment Facility	10,750	10,750	10,750		10,750
270	Tennessee	DFAS	Millington NAS	DFAS-Regional Finance Center	6,906	6,906	6,906		6,906
271	Tennessee	Air National Guard	Nashville MAP	Replace Base Civil Engineer Maint Comp	-	3,350	3,350	3,350	3,350
272	Tennessee	Army Reserve	Knoxville	USARC/OMS/AMSA	-	8,291	-	7,941	7,941
273	Texas	Army	Fort Bliss	Ammunition Supply Point Expansion (Ph II)	-	7,700	-	7,700	7,700
274	Texas	Army	Fort Hood	Force XXI Soldier Development School (Ph I)	-	12,800	-	12,800	12,800
275	Texas	Army	Fort Sam Houston	Whole Barracks Complex Renewal	16,000	16,000	16,000		16,000
276	Texas	Navy	Corpus Christi NAS	Boiler Plant Replacement	-	800	-	800	800
277	Texas	Air Force	Dyess AFB	B-1 Squadron Ops/Aircraft Maintenance Unit	-	10,000	10,000	10,000	10,000
278	Texas	Air Force	Laughlin AFB	Corrosion Control Facility	-	4,800	-	4,800	4,800
279	Texas	Air Force	Randolph AFB	JPATS- Add/Alter Various Facilities	2,488	2,488	2,488		2,488
280	Texas	Defense Medical Sup Activity	Lackland AFB	Blood Donor Center	3,000	3,000	3,000		3,000
281	Texas	Army National Guard	San Antonio	Organizational Maintenance Shop	2,475	2,475	2,475		2,475
282	Utah	Air Force	Hill AFB	Peacekeeper Storage Facilities	6,470	6,470	6,470		6,470
283	Utah	Defense Medical Sup Activity	Hill AFB	Clinic Addition	3,100	3,100	3,100		3,100
284	Utah	Army National Guard	Orem	Readiness Center	5,746	5,746	5,746		5,746
285	Utah	Army National Guard	Richfield	Organizational Maintenance Shop	1,045	1,045	1,045		1,045
286	Utah	Air National Guard	Salt Lake City IAP	Composite Ops/Tng/Sqd Operations Complex	-	-	9,200		-
287	Utah	Air National Guard	Salt Lake City IAP	Vehicle Washing & Corrosion Control Facility	460	460	460		460
288	Utah	Army Reserve	Fort Douglas	USARC and OMS	-	12,714	-	12,714	12,714
289	Vermont	Army National Guard	Colchester	Combined Support Maintenance Shop	-	-	6,719	6,719	6,719
290	Virginia	Army	Charlottesville	National Ground Intelligence Center P&D	3,100	-	3,100	(3,100)	-
291	Virginia	Army	Fort A P Hill	Central Vehicle Wash Facility	5,400	5,400	5,400		5,400
292	Virginia	Army	Fort Myer	Whole Barracks Complex Renewal	8,200	8,200	8,200		8,200
293	Virginia	Army	Fort Story	Post Chapel	-	2,050	-	2,050	2,050
294	Virginia	Navy	NSWC Dahlgren	Aegis Combat System Support Facility	6,600	6,600	6,600		6,600
295	Virginia	Navy	FCTC Dam Neck	Bachelor Enlisted Quarters Renovation	7,000	7,000	7,000		7,000
296	Virginia	Navy	NAB Little Creek	Landing Craft Air Cushion Complex (Ph IV)	8,685	8,685	8,685		8,685
297	Virginia	Navy	NAS Norfolk	Air Operations Building	-	4,000	-	4,000	4,000

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298	Virginia	Navy	NAS Norfolk	Air Passenger Terminal	14,240	14,240	14,240		14,240
299	Virginia	Navy	NS Norfolk	Berthing Pier	-	-	13,500		-
300	Virginia	Navy	NAS Oceana	Bachelor Enlisted Quarters	20,900	20,900	20,900		20,900
301	Virginia	Navy	NAS Oceana	Aircraft Acoustical Enclosure (Ph I)	-	6,000	-		-
302	Virginia	Navy	NAS Oceana	Jet Engine Test Cell	5,000	5,000	5,000		5,000
303	Virginia	Navy	NAS Oceana	Air Operations Control Tower	2,100	2,100	2,100		2,100
304	Virginia	Navy	NAVSTA Norfolk	Consolidated Support Center	6,100	6,100	6,100		6,100
305	Virginia	Navy	NAVSTA Norfolk	Deperming Piers	12,750	12,750	12,750		12,750
306	Virginia	Navy	NSWC Dahlgren	Electronic Warfare Integration Facility Add	7,320	7,320	7,320		7,320
307	Virginia	Navy	NSWC Dahlgren	Operations & Maintenance Training Facility	6,560	6,560	6,560		6,560
308	Virginia	Navy	Norfolk NSY	Oily Waste Collection System	9,500	9,500	9,500		9,500
309	Virginia	Navy	Norfolk NSY	Waterfront Improvements	-	19,910	-	19,910	19,910
310	Virginia	Navy	Yorktown NWS	Gymnasium	5,400	5,400	5,400		5,400
311	Virginia	Navy	Yorktown NWS	Tomahawk Magazine	-	3,290	-	3,290	3,290
312	Virginia	Navy	Yorktown NWS	Torpedo Magazine	5,857	5,857	5,857		5,857
313	Virginia	Air Force	Langley AFB	Fire Station (Ph II)	4,031	4,031	4,031		4,031
314	Virginia	Defense Logistics Agency	Defense Dist Depot - DDNV	Replace General Purpose Warehouse	16,656	16,656	16,656		16,656
315	Virginia	Defense Logistics Agency	Def Fuel Suppt Pt Craney Is	Replace Fuel Tankage	22,100	22,100	22,100		22,100
316	Virginia	Defense Logistics Agency	Defense General Supply Ctr	Gas Cylinder Facility	3,100	3,100	3,100		3,100
317	Virginia	Defense Logistics Agency	Defense General Supply Ctr	Child Development Center	2,100	2,100	2,100		2,100
318	Virginia	Defense Medical Sup Activity	Portsmouth Naval Hospital	Hospital Replacement (Ph IX)	-	-	34,600	17,000	17,000
319	Virginia	Defense Medical Sup Activity	Quantico MCB	Medical/Dental Clinic Replacement	19,000	19,000	19,000		19,000
320	Virginia	DFAS	CINCLANTFLT Norfolk	DFAS-Regional Finance Center	12,800	12,800	12,800		12,800
321	Virginia	Defense Commissary Agency	Fort Lee	Add/Alter Administration Building	9,300	9,300	9,300		9,300
322	Washington	Army	Fort Lewis	Whole Barracks Complex Renewal	31,000	31,000	31,000		31,000
323	Washington	Army	Fort Lewis	Tank Trail Erosion Mitigation-Yakima	2,000	2,000	2,000		2,000
324	Washington	Navy	Whidbey Island NAS	Electronic Warfare Training Facility	1,100	1,100	1,100		1,100
325	Washington	Navy	Bremerton Puget Sound NSY	Child Development Center	4,400	4,400	4,400		4,400
326	Washington	Air Force	Fairchild AFB	KC-135 Squadron Ops/Amu Facility	7,366	7,366	7,366		7,366
327	Washington	Air Force	Fairchild AFB	Add/Alt Fire Station	-	-	4,750	4,750	4,750
328	Washington	Air Force	Fairchild AFB	Education Center/Library	-	-	8,200	8,200	8,200
329	Washington	Air Force	Fairchild AFB	Survival Training Academy Supprt Facility (PhII)	-	-	3,700		-
330	Washington	Air Force	McChord AFB	C-17 Alter Maintenance Hangars	6,470	6,470	6,470		6,470

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331	Washington	Air Force	McChord AFB	C-17 Engine Test Cell Facility	3,185	-	3,185	(3,185)	-
332	Washington	Defense Medical Fac Office	Fort Lewis	Troop Medical Clinic	-	5,000	-	5,000	5,000
333	Washington	Defense Medical Sup Activity	Everett NS	Medical/Dental Clinic	7,500	7,500	7,500		7,500
334	Washington	Air National Guard	Fairchild AFB	Upgrade KC-135 Flightline Facility	-	9,500	-	9,500	9,500
335	Washington	Air Force Reserve	McChord AFB	Consolidated Medical Training Facility	-	3,100	-		-
336	West Virginia	Army National Guard	Camp Dawson	Armed Forces Readiness Center	-	-	6,828	6,828	6,828
337	Wisconsin	Defense Logistics Agency	DFSC Truax Field	Jet Fuel Storage Complex	4,500	4,500	4,500		4,500
338	Wisconsin	Army National Guard	Hayward	Organizational Maintenance Shop	2,900	2,900	2,900		2,900
339	Wisconsin	Army Reserve	Fort McCoy	Combat Pistol Range	1,500	1,500	1,500		1,500
340	Wisconsin	Army Reserve	Fort McCoy	Modified Record Fire Range	1,973	1,973	1,973		1,973
341	Wisconsin	Army Reserve	Fort McCoy	Electric Power To Ranges	2,611	2,611	2,611		2,611
342	Wisconsin	Air Force Reserve	Mitchel ARS	Aerial Port Training Facility	-	-	4,200	4,200	4,200
343	Wisconsin	Army Reserve	Fort McCoy	Army Reserve Regional Training Center (Ph II)	14,856	14,856	14,856		14,856
344	Wyoming	Army National Guard	Camp Guernsey	Vehicle Maintenance Shop/CSMS/OMT/VTES	-	-	13,891		-
345	CONUS Classified	Army	Classified Locations	Classified Project	6,500	6,500	6,500		6,500
346	CONUS Classified	Air Force	Classified Location	Visitor Control Center	4,300	4,300	4,300		4,300
347	CONUS Classified	Air Force	Classified Location	Special Tactical Unit Det Facility	1,875	1,875	1,875		1,875
348	Worldwide Various	Defense Logistics Agency	Various Locations	Conforming Storage Facilities	11,275	11,275	11,275		11,275
349	Bahrain Island	Navy	ASU Bahrain	Utilities Upgrade	5,100	5,100	5,100		5,100
350	Bahrain Island	Navy	ASU Bahrain	Bachelor Enlisted Quarters	25,000	25,000	25,000		25,000
351	Germany	Army	Ansbach	Whole Barracks Complex Renewal	22,000	22,000	22,000		22,000
352	Germany	Army	Heidelberg	Whole Barracks Complex Renewal	8,800	8,800	8,800		8,800
353	Germany	Army	Kaiserslautern	Whole Barracks Complex Renewal	6,000	6,000	6,000		6,000
354	Germany	Army	Kitzingen	Child Development Center	-	-	4,365		-
355	Germany	Army	Mannheim	Whole Barracks Complex Renewal	6,200	6,200	-		6,200
356	Germany	Air Force	Spangdahlem AB	Dormitories	18,500	18,500	18,500		18,500
357	Guam	Navy	NAVCAMS WESTPAC, Guam	Fire Protection System Improvements	4,050	4,050	4,050		4,050
358	Guam	Defense Logistics Agency	Def Fuel Support Point Guam	Replace Fuel Pipeline	16,000	16,000	16,000		16,000
359	Italy	Navy	Sigonella NAS	Bachelor Enlisted Quarters	21,440	21,440	21,440		21,440
360	Italy	Navy	Naples Naval Support Activity	Air Passenger Terminal	8,200	8,200	8,200		8,200
361	Italy	Air Force	Aviano AB	Waste Water Disposal System Areas	7,900	7,900	7,900		7,900
362	Italy	Air Force	Aviano AB	Roads/Utilities System	7,320	7,320	7,320		7,320
363	Korea	Army	Camp Casey	Whole Barracks Complex Renewal	5,100	5,100	5,100		5,100

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364	Korea	Army	Camp Castle	Whole Barracks Complex Renewal	8,400	8,400	8,400		8,400
365	Korea	Army	Camp Humphreys	Whole Barracks Complex Renewal	32,000	32,000	32,000		32,000
366	Korea	Army	Camp Red Cloud	Whole Barracks Complex Renewal	23,600	23,600	23,600		23,600
367	Korea	Army	Camp Stanley	Whole Barracks Complex Renewal	7,000	7,000	7,000		7,000
368	Korea	Air Force	Kunsan AB	Dormitory	8,325	8,325	8,325		8,325
369	Korea	Air Force	Kunsan AB	Fire Training Facility	2,000	2,000	2,000		2,000
370	Korea	Air Force	Osan AB	Dormitory	11,100	11,100	-	(11,100)	-
371	Kwajalein	BMDO	PMR Kwajalein	THAAD GBR TMD Test Facilities	4,565	4,565	4,565	(4,565)	-
372	Portugal	Air Force	Lajes Field	Water Treatment Plant	4,800	4,800	4,800		4,800
373	Puerto Rico	Navy	Roosevelt Roads NS	Bachelor Enlisted Quarters	24,100	14,600	14,600	(9,500)	14,600
374	Spain	Defense Logistics Agency	DFSC Moron AB	Replace Hydrant Fuel System (Phase II)	14,400	14,400	14,400	(14,400)	-
375	United Kingdom	Navy	St Mawgan JMCC	Religious Education Facility	2,330	2,330	2,330		2,330
376	United Kingdom	Air Force	RAF Lakenheath	Dormitories	11,400	11,400	11,400		11,400
377	Overseas Classified	Air Force	Classified - Overseas	Space Based Infrared - Relay Ground St	7,600	7,600	7,600		7,600
378	Overseas Classified	Air Force	Classified - Overseas	Space Based Infrared - Relay Ground St	6,400	6,400	6,400		6,400
379	Overseas Classified	Air Force	Classified - Overseas	War Readiness Material Warehouse	2,000	2,000	-	(2,000)	-
380	Overseas Classified	Air Force	Classified - Overseas	Operational Building Expansion	12,200	12,200	12,200		12,200
381	Overseas Classified	Air Force	Classified - Overseas	WRM Comm Maint Shop/Mgmt Facility	1,100	1,100	1,100		1,100
382	Overseas Classified	Air Force	Classified - Overseas	In-Town Warehouse	1,800	1,800	1,800		1,800
383	Worldwide Various	Army	Overseas Various Locations	Strategic Log Prepositioning Complex (Ph III)	37,000	37,000	37,000		37,000
384	Worldwide Unspecified	Army	Unspecified Worldwide	Planning and Design	43,477	51,577	50,512	7,100	50,577
385	Worldwide Unspecified	Army	Unspecified Worldwide	Unspecified Minor Construction	6,000	6,000	6,000	1,400	7,400
386	Worldwide Unspecified	Army	Unspecified Worldwide	Host Nation Support	20,000	20,000	20,000	(5,000)	15,000
387	Worldwide Unspecified	Army	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(5,900)	(5,900)
388	Worldwide Unspecified	Navy	Unspecified Worldwide	Planning and Design	42,489	46,659	47,597	4,000	46,489
389	Worldwide Unspecified	Navy	Unspecified Worldwide	Unspecified Minor Construction	9,960	9,960	9,960	1,500	11,460
390	Worldwide Unspecified	Navy	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(2,600)	(2,600)
391	Worldwide Unspecified	Air Force	Unspecified Worldwide	Various - Planning and Design	40,880	45,880	51,080	4,000	44,880
392	Worldwide Unspecified	Air Force	Unspecified Worldwide	Unspecified Minor Construction	8,545	8,545	8,545		8,545
393	Worldwide Unspecified	Air Force	Unspecified Worldwide	General Reduction	-	(23,858)	(23,858)	(23,858)	(23,858)
394	Worldwide Unspecified	Air Force	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(3,600)	(3,600)
395	Worldwide Unspecified	Office Secretary of Defense	Unspecified Worldwide	Energy Conservation Improvement Program	25,000	25,000	25,000		25,000
396	Worldwide Unspecified	Defense-Wide	Unspecified Worldwide	Planning and Design	30,300	9,000	14,950	(14,300)	16,000

Fiscal Year 1998 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorization House	Authorization Senate	Conference Change	Conference Agreement
397	Worldwide Unspecified	Office Secretary of Defense	Unspecified Worldwide	Contingency Construction	9,844	9,844	9,844	(5,844)	4,000
398	Worldwide Unspecified	Defense-Wide	Unspecified Worldwide	Unspecified Minor Construction	3,000	3,000	3,000		3,000
399	Worldwide Unspecified	Office Secretary of Defense	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(1,100)	(1,100)
400	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	General Reduction	-	(100)	-		-
401	Worldwide Unspecified	Defense Medical Sup Activity	Unspecified Worldwide	Defense Medical Support Activities	7,958	7,958	7,958		7,958
402	Worldwide Unspecified	Defense Medical Sup Activity	Unspecified Worldwide	Planning and Design	10,500	10,500	10,500	7,500	18,000
403	Worldwide Unspecified	DoD Dependent Schools	Unspecified Worldwide	DoD Dependent Schools	2,000	2,000	2,000	818	2,818
404	Worldwide Unspecified	Special Operations Command	Unspecified Worldwide	Unspecified Minor Construction	4,100	4,100	4,100		4,100
405	Worldwide Unspecified	Special Operations Command	Unspecified Worldwide	Planning and Design	3,710	3,710	4,130		3,710
406	Worldwide Unspecified	BMDO	Unspecified Worldwide	Unspecified Minor Construction	1,965	1,965	1,965		1,965
407	Worldwide Unspecified	BMDO	Unspecified Worldwide	Planning and Design	540	540	540		540
408	Worldwide Unspecified	Defense-Wide	NATO Sec Inv Prog	NATO Security Investment Program	176,300	166,300	152,600	(23,700)	152,600
409	Worldwide Unspecified	Army National Guard	Unspecified Worldwide	Planning and Design	2,800	2,800	7,717	3,231	6,031
410	Worldwide Unspecified	Army National Guard	Unspecified Worldwide	Unspecified Minor Construction	6,698	6,698	6,698	800	7,498
411	Worldwide Unspecified	Air National Guard	Unspecified Worldwide	Unspecified Minor Construction	4,231	4,231	4,231	4,569	8,800
412	Worldwide Unspecified	Air National Guard	Unspecified Worldwide	Planning and Design	7,029	8,029	18,273	3,000	10,029
413	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	Planning and Design	5,100	5,783	11,375	500	5,600
414	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	General Reduction	-	(7,900)	-	(7,900)	(7,900)
415	Worldwide Unspecified	Navy Reserve	Unspecified Worldwide	Planning and Design	2,527	3,027	2,527	578	3,105
416	Worldwide Unspecified	Navy Reserve	Unspecified Worldwide	Planning and Design	-	-	602		-
417	Worldwide Unspecified	Navy Reserve	Unspecified Worldwide	Unspecified Minor Construction	650	650	650		650
418	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	Planning and Design	1,516	2,116	2,866	500	2,016
419	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	Unspecified Minor Construction	4,464	4,464	4,464		4,464
420	Worldwide Unspecified	Chemical Demilitarization	Unspecified Worldwide	Planning and Design	9,200	9,200	9,200		9,200
421	Worldwide Unspecified	DFAS	Unspecified Worldwide	Planning and Design	1,400	1,400	1,400		1,400
422	Worldwide Unspecified	Defense-Wide	BRAC Acct Part II	Base Realignment & Closure Acct (Part II)	116,754	116,754	116,754		116,754
423	Worldwide Unspecified	Defense-Wide	BRAC Acct Part III	Base Realignment & Closure Acct (Part III)	768,702	768,702	768,702		768,702
424	Worldwide Unspecified	Defense-Wide	BRAC Acct Part IV	Base Realignment & Closure Acct (Part IV)	1,175,398	1,175,398	1,175,398		1,175,398
425	Worldwide Unspecified	Joint Chiefs of Staff	Unspecified Worldwide	Unspecified Minor Construction	6234	6,234	6,234		6,234
				Prior Year Savings, Air Force	(23,858)			23,858	
				Prior Year Savings, Army Reserve	(7,900)			7,900	
				Totals	4,714,838	5,187,875	5,299,159	636,381	5,351,219

Fiscal Year 1998 Military Construction Authorization of Appropriation

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorized House	Authorized Senate	Conference Change	Conference Agreement
1	Arizona	Army	Fort Huachuca	Replace Family Housing (55 Units)	-	8,000	-	8,000	8,000
2	Arizona	Air Force	Davis-Monthan AFB	Replace Family Housing (70 Units)	-	9,800	-		-
3	California	Navy	MCARGCC	Replacement Construction (132 Units)	23,891	23,891	23,891		23,891
4	California	Navy	MCAS Miramar	New Construction (166 Units)	28,881	28,881	28,881		28,881
5	California	Navy	Camp Pendleton MCB	New Construction (171 Units)	22,518	22,518	22,518		22,518
6	California	Navy	Lemoore NAS	Replacement Construction (128 Units)	23,226	23,226	23,226		23,226
7	California	Navy	San Diego NC	Replace Family Housing (94 Units)	-	13,500	-	13,500	13,500
8	California	Air Force	Edwards AFB	Replace Military Family Housing Ph III (51 Un)	8,500	8,500	8,500		8,500
9	California	Air Force	Edwards AFB	Replace Family Housing (51 Units)	-	8,300	-		-
10	California	Air Force	Travis AFB	Replace Military Family Housing (70 Un)	9,714	9,714	9,714		9,714
11	California	Air Force	Vandenberg AFB	Replace Military Family Housing Ph V (108 Un)	17,100	17,100	17,100		17,100
12	Delaware	Air Force	Dover AFB	Replace Housing Maintenance Facility	831	831	831		831
13	District Of Columbia	Air Force	Bolling AFB	Replace Military Family Housing Ph IV (46 Un)	5,100	5,100	5,100		5,100
14	Florida	Army	Miami	Family Housing Acquisition (8 Units)	2,300	-	2,300	(2,300)	-
15	Florida	Air Force	MacDill AFB	Replace Military Family Housing Ph III (58 Un)	10,000	10,000	10,000		10,000
16	Florida	Air Force	Tyndall AFB	Replace Military Family Housing Ph III (32 Un)	4,200	4,200	4,200		4,200
17	Georgia	Air Force	Robins AFB	Replace Military Family Housing Ph IV (60 Un)	6,800	6,800	6,800		6,800
18	Georgia	Air Force	Robins AFB	Replace Military Family Housing Ph VI (60 Un)	-	-	5,200		-
19	Hawaii	Army	Schofield Barracks	Family Housing Replacement Const (132 Un)	26,600	26,600	26,600		26,600
20	Hawaii	Navy	Pearl Harbor NC	Replace Family Housing (72 Units)	-	17,900	-	13,000	13,000
21	Idaho	Air Force	Mountain Home AFB	Replace Military Family Housing Ph II (60 Un)	11,032	11,032	11,032		11,032
22	Kansas	Air Force	McConnell AFB	Family Housing Management Office	-	581	-	581	581
23	Kansas	Air Force	McConnell AFB	Replace Military Family Housing (19 Un)	2,951	2,951	2,951		2,951
24	Lousiana	Navy	New Orleans NC	Replace Family Housing (100 Units)	-	11,930	-	11,930	11,930
25	Maryland	Army	Fort Meade, MD	Replace Family Housing (56 Units)	7,900	7,900	7,900		7,900
26	Mississippi	Air Force	Columbus AFB	Replace Military Family Housing Ph I (50 Un)	6,200	6,200	6,200		6,200
27	Mississippi	Air Force	Keesler AFB	Replace Military Family Housing (40 Units)	5,000	5,000	5,000		5,000
28	Montana	Air Force	Malmstrom AFB	Replace Military Family Housing Ph II (28 Un)	4,842	4,842	4,842		4,842
29	Montana	Air Force	Malmstrom AFB	Replace Military Family Housing Ph II (72 Un)	-	-	16,605	13,000	13,000
30	New Jersey	Army	Picatinny Arsenal	Replace Family Housing (28 Units)	-	7,300	-	7,300	7,300
31	New Mexico	Air Force	Kirtland AFB	Replace Military Family Housing Ph IV (180 Un)	20,900	20,900	20,900		20,900
32	North Carolina	Army	Fort Bragg, NC	Family Housing Replacement Const (32 Units)	3,350	3,350	3,350		3,350
33	North Carolina	Army	Fort Bragg, NC	Replace Family Housing (142 Units)	16,800	16,800	16,800		16,800

Fiscal Year 1998 Military Construction Authorization of Appropriation

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorized House	Authorized Senate	Conference Change	Conference Agreement
34	North Dakota	Air Force	Grand Forks AFB	Replace Military Family Housing (42 Un)	7,936	7,936	7,936		7,936
35	Texas	Army	Fort Bliss	Family Housing Replacement Const (91 Units)	12,900	12,900	12,900		12,900
36	Texas	Army	Fort Hood	Replace Family Housing (130 Units)	18,800	18,800	18,800		18,800
37	Texas	Navy	Corpus Christi NAS	Replace Family Housing (57 Units)	-	-	6,470		-
38	Texas	Navy	Kingsville NC/Corpus Christi	Replace Family Housing (212 Units)	-	22,250	-	22,250	22,250
39	Texas	Air Force	Dyess AFB	Construct Mil Family Housing Ph I (70 Un)	10,503	10,503	10,503		10,503
40	Texas	Air Force	Goodfellow AFB	Replace Military Family Housing (3 Un)	500	500	500		500
41	Texas	Air Force	Lackland AFB	Replace Family Housing (50 Units)	-	7,400	7,400	7,400	7,400
42	Texas	Air Force	Sheppard AFB	Replace Family Housing (40 Units)	-	7,400	-		-
43	Washington	Navy	Bangor NC	Replace Family Housing (118 Units)	-	15,700	-		-
44	Washington	Navy	Whidbey Island NAS	Replacement Family Housing (198 Units)	-	-	32,290	16,000	16,000
45	Wyoming	Air Force	F.W. Warren AFB	Replace Family Housing, Ph III (52 Units)	6,853	6,853	6,853		6,853
46	Worldwide Unspecified	Army	Unspecified Worldwide	Miscellaneous Account	327	327	327		327
47	Worldwide Unspecified	Army	Unspecified Worldwide	Management Account	80,089	80,089	80,089		80,089
48	Worldwide Unspecified	Army	Unspecified Worldwide	Interest Payments	3	3	3		3
49	Worldwide Unspecified	Army	Unspecified Worldwide	Maintenance of Real Property	468,393	468,393	468,393		468,393
50	Worldwide Unspecified	Army	Unspecified Worldwide	Construction Improvements	44,800	89,200	76,600	41,300	86,100
51	Worldwide Unspecified	Army	Unspecified Worldwide	Furnishings Account	47,404	47,404	47,404		47,404
52	Worldwide Unspecified	Army	Unspecified Worldwide	Planning & Design	9,550	9,550	11,665		9,550
53	Worldwide Unspecified	Army	Unspecified Worldwide	Leasing	234,053	234,053	227,902		234,053
54	Worldwide Unspecified	Army	Unspecified Worldwide	Utilities Account	265,732	265,732	265,732	(3,598)	262,134
55	Worldwide Unspecified	Army	Unspecified Worldwide	Services Account	52,936	52,936	52,936		52,936
56	Worldwide Unspecified	Army	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(30,700)	(30,700)
57	Worldwide Unspecified	Navy	Unspecified Worldwide	Leasing	124,507	124,507	124,507		124,507
58	Worldwide Unspecified	Navy	Unspecified Worldwide	Management Account	87,731	87,731	87,731		87,731
59	Worldwide Unspecified	Navy	Unspecified Worldwide	Construction Improvements	173,780	214,282	176,643	29,756	203,536
60	Worldwide Unspecified	Navy	Unspecified Worldwide	Planning & Design	15,100	15,100	15,850		15,100
61	Worldwide Unspecified	Navy	Unspecified Worldwide	Utilities Account	199,776	199,776	199,776		199,776
62	Worldwide Unspecified	Navy	Unspecified Worldwide	Miscellaneous Account	806	806	806		806
63	Worldwide Unspecified	Navy	Unspecified Worldwide	Maintenance of Real Property	462,427	462,427	462,427		462,427
64	Worldwide Unspecified	Navy	Unspecified Worldwide	Mortgage Insurance Premiums	78	78	78		78
65	Worldwide Unspecified	Navy	Unspecified Worldwide	Services Account	66,968	66,968	66,968		66,968
66	Worldwide Unspecified	Navy	Unspecified Worldwide	Furnishings Account	34,211	34,211	34,211		34,211

Fiscal Year 1998 Military Construction Authorization of Appropriation

(Dollars in Thousands)

Line No.	Location	Service/Agency	Installation	Project Title	Budget Request	Authorized House	Authorized Senate	Conference Change	Conference Agreement
67	Worldwide Unspecified	Navy	Unspecified Worldwide	Reduction for Prior Year Savings	(8,463)	-	(8,463)	8,463	-
68	Worldwide Unspecified	Navy	Unspecified Worldwide	General Reduction	-	(8,463)	-	(8,463)	(8,463)
69	Worldwide Unspecified	Navy	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(6,100)	(6,100)
70	Worldwide Unspecified	Air Force	Unspecified Worldwide	Planning & Design	11,971	11,971	13,021		11,971
71	Worldwide Unspecified	Air Force	Unspecified Worldwide	Mortgage Insurance Premiums	31	31	31		31
72	Worldwide Unspecified	Air Force	Unspecified Worldwide	Leasing	116,716	116,716	116,716		116,716
73	Worldwide Unspecified	Air Force	Unspecified Worldwide	Miscellaneous Account	5,661	5,661	5,661		5,661
74	Worldwide Unspecified	Air Force	Unspecified Worldwide	Construction Improvements	102,195	156,995	116,495	21,600	123,795
75	Worldwide Unspecified	Air Force	Unspecified Worldwide	Utilities Account	154,556	154,556	154,556		154,556
76	Worldwide Unspecified	Air Force	Unspecified Worldwide	Management Account	48,712	48,712	48,712		48,712
77	Worldwide Unspecified	Air Force	Unspecified Worldwide	Services Account	35,849	35,849	35,849		35,849
78	Worldwide Unspecified	Air Force	Unspecified Worldwide	Maintenance of Real Property	432,282	432,282	432,282		432,282
79	Worldwide Unspecified	Air Force	Unspecified Worldwide	Furnishings Account	36,427	36,427	36,427		36,427
80	Worldwide Unspecified	Air Force	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(8,700)	(8,700)
81	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Furnishings Account	118	118	118		118
82	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Utilities Account	318	318	318		318
83	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Management Account	235	235	235		235
84	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Construction Improvements	4,850	4,850	4,850		4,850
85	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Planning & Design	50	50	50		50
86	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Maintenance of Real Property	485	485	485		485
87	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Services Account	66	66	66		66
88	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Leasing	11,169	11,169	11,169		11,169
89	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Construction Improvements	50	50	50		50
90	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Management Account	70	70	70		70
91	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Services Account	355	355	355		355
92	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Utilities Account	425	425	425		425
93	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Miscellaneous Account	35	35	35		35
94	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Maintenance of Real Property	490	490	490		490
95	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Furnishings Account	126	126	126		126
96	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Foreign Currency Adjustment	-	-	-	(100)	(100)
97	Worldwide Unspecified	Defense Intelligence Agency	Unspecified Worldwide	Furnishings Account	2,328	2,328	2,328		2,328
98	Worldwide Unspecified	Defense Intelligence Agency	Unspecified Worldwide	Leasing	16,504	16,504	16,504		16,504
				Total Family Housing	3,668,410	3,935,873	3,783,102	154,119	3,822,529

FY 1998/1999 BUDGET ESTIMATES—FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS

[In thousands of dollars]

State and installation/location	Description	Amount
	Army: BRAC III Construction, fiscal Year 1998	
Texas:		
Fort Bliss	Repair Aircraft Hanger (46865) III	3,650
	Subtotal Army Texas	3,650
	Total for Army BRAC III Construction, FY 1998	3,650
	Army BRAC IV Construction, fiscal Year 1998	
Alaska:		
Fort Wainwright	Missile Test Facility (46159) IV	600
	Subtotal Army Alaska	600
California:		
Camp Parks	Army Reserve Center Facility (46206) IV	9,500
Sierra Army Depot	Consolidated Security (45872) IV	900
Travis Air Force Base	Administrative Facility (47187) IV	2,250
	Subtotal Army California	12,650
Colorado:		
Fitzsimons Army Medical Ctr	Sanitary Sewer (46341) IV	2,100
Fort Carson	Readiness Group Admin Facility (46413) IV	2,500
	Subtotal Army Colorado	4,600
District of Columbia:		
Walter Reed AMC	Nurse Training Facility (463342)	1,500
	Subtotal Army District of Columbia	1,500
Maryland:		
Fort Detrick	Health Clinic (46329) IV	650
Fort Meade	Administrative Facility (47237) IV	6,300
	Subtotal Army Maryland	6,950
Michigan:		
Detroit Arsenal	Storage Facility (46300) IV	5,900
	Subtotal Army Michigan	5,900
Missouri:		
Fort Leonard Wood	Range Modifications (46094) IV	17,500
	Military Operations in Urbanized Terrain Facility (45892) IV	6,900
	Subtotal Army Missouri	24,400
New York:		
Fort Totten	Storage Facility (46258) IV	1,900
	Subtotal Army New York	1,900
Nevada:		
Hawthorne Army Ammo Pit	Warehouse (46217) IV	1,550
Nellis Air Force Base	Administrative Facility (46291) IV	3,850
	Subtotal Army Nevada	5,400
South Carolina:		
Fort Jackson	DoD Polygraph Instructional Fac (45839) IV	4,600
	Subtotal Army South Carolina	4,600
Virginia:		
Fort Pickett	Reserve Center Building (46354) IV	3,100
	Subtotal Army Virginia	3,100
Washington:		
Fort Lewis	CHPPM Ctr for Health Promotion (46354) IV	3,150
	Subtotal Army Washington	3,150
Various Locations	Program Management IV	3,750
	Total for Army BRAC IV Construction, FY 1998	78,500
	Navy BRAC III Construction, FY 1998	
California		
NAS, Lemoore	Administrative Office (186T) III	2,586
MCAS, Miramar	Support Facilities (007T) III	48,773
Pacific Fleet AWTC, San Diego	Gym (387T) III	3,501
NSB, San Diego	Pier Renovation (124T) III	891
PWC, San Diego	Public Works Shop (175T) III	1,821
	Subtotal Navy California	57,572
Florida:		
NAD, Jacksonville	Administrative Building (220T) III	5,074
NAS, Jacksonville	Aviation Physiology Training Building (831T) III	3,383
NTC, Orlando	Facility Modifications (001T) III	2,686
	Subtotal Navy Florida	111,143
Georgia:		
NAS, Atlanta	Marine Reserve Training Facility (906T) III	9,053
	Subtotal Navy Georgia	9,053
Hawaii:		
PMRF, Barking Sands	Ordnance Facilities (297T) III	612
MCAS, Kaneohe Bay	Aviation Supply Facilities (274T) III	1,491
	Utilities Upgrade (504T) III	2,168
	Ordnance Facilities (508T) III	1,160
NS, Pearl Harbor	Fleet Imaging Center (524T) III	1,005
PWC, Pearl Harbor	Utility System Modifications (539T) III	1,492
	Subtotal Navy Hawaii	7,928
Virginia:		
NS, Norfolk	Administrative Facility (360T) III	995
	Subtotal Navy Virginia	995
Washington:		
Navy Hospital, Bremerton	Outpatient Clinic (019T) III	10,409
	Subtotal Navy Washington	10,409
Wisconsin:		
Fort McCoy	Equipment Maintenance Facility (701T) III	2,295
	Subtotal Navy Wisconsin	2,295
	Total for Navy BRAC III Construction, FY 1998	99,395
	Navy BRAC IV Construction, Fiscal Year 1998	
California:		
MCAS, Miramar	Administrative/Training Spaces (020U) IV	1,403

FY 1998/1999 BUDGET ESTIMATES—FY 1998 BRAC MILITARY CONSTRUCTION PROJECTS—Continued

[In thousands of dollars]

State and installation/location	Description	Amount
NAS, North Island	Operational Facility and Parking (820U) IV	28,750
	Intermediate Maintenance Facility (822U) IV	1,273
	Subtotal Navy California	31,426
District of Columbia:		
Commandant, Naval District Washington	Naval Sea Systems Cmd Hdq Relocation (088U) IV	86,045
	Subtotal Navy District of Columbia	86,045
Florida:		
NAS, Jacksonville	Medical/Dental Additions (231U) IV	2,985
	S–3 Naval Maintenance Trng Grp Mods (239U) IV	1,329
	Subtotal Navy Florida	4,314
Guam:		
Naval Activities	Building Renovation (416U) IV	597
	Subtotal Navy Guam	597
Pennsylvania:		
NSWC, Philadelphia	Accoustics R&D Facility (185U) IV	6,151
	Subtotal Navy Pennsylvania	6,151
Virginia:		
NAS, Oceana	Flight Simulator Building Addition (160U) IV	8,998
	Corrosion Control Hangar (576U) IV	4,775
	Hanger Utilities Improvements (165U) IV	1,244
	F/A 18 Aviation Maintenance Additions (164U) IV	2,686
	Renovate/Addition Training Facility (161U) IV	5,671
FISC, Williamsburg	Building Renovation (028U) IV	2,437
	Cargo Staging Area (029U) IV	1,443
	Subtotal Navy Virginia	27,254
	Total Navy BRAC IV Construction, FY 1998	155,787
	Air Force BRAC III Construction, Fiscal Year 1998	
California:		
Travis AFB	Land Purchase (XDAT973300) III	2,055
	Total for Air Force BRAC III Construction, FY 1998	2,055
	Air Force BRAC III Family Housing, FY 1998	
California:		
Travis AFB	Improve Family Housing (XDAT950000) III	46,010
	Total for Air Force BRAC III Family Housing, FY 1998	46,010
	Air Force BRAC IV Construction, FY 1998	
California:		
Beale AFB	Dining Facility (PRJ891009R1) IV	2,100
	938 Engineering Install Sqd (PRJY911023R2) IV	8,100
	Enlisted Dormitory (PRJY93103R2) IV	9,000
	Add to Child Development Center (PRJY95301R1) IV	2,100
	Vehicle Maintenance Facility (PRJY953009R1) IV	1,450
	Air Force Res KC–135 Flight Sim (PRJY953046R1) IV	1,700
Palmdale Plant 42	Add/Alt QLA Secure Warehouse (PRJY953008R2) IV	580
	Subtotal Air Force California	25,030
Colorado:		
Falcon AFB	Satellite Control Facility (GLEN973008A) IV	16,000
	Add to Dining Facility (GLEN973009) IV	500
	Technical Support Facility (GLEN973010) IV	6,400
	Alter Operations Support Facility (GLEN973020) IV	760
	Add to Fitness Center (GLEN983023) IV	300
Peterson AFB	Enlisted Dormitory (TDKA963004) IV	1,200
	Subtotal Air Force Colorado	25,160
New York:		
Fort Drum	Vehicle OPS Heated Parking (WOXG959613) IV	1,700
	Add to Fire Station (FPBB969510) IV	300
	Subtotal Air Force New York	2,000
Ohio:		
Wright-Patterson AFB	Renovte QLA Support Facility (PRJY921012R1) IV	2,500
	Subtotal Air Force Ohio	2,500
Oklahoma:		
Vance AFB	Add to Child Development Center (XTLF983303) IV	330
	Subtotal Air Force Oklahoma	330
Texas:		
Brooks	Add/Alter YAD/textile Laboratory (CNBC993000) IV	3,900
Kelly AFB	Comm Infrastructure Support (MBPB993225R1) IV	2,500
Lackland AFB	838th Engineer Installation Sqd (MBPB993201R1) IV	5,600
	Child Development Center (MBPB993209R2) IV	480
	Add to Auto Hobby Shop (MBPB993222R1) IV	1,100
Laughlin AFB	Engine Staging Facility (MXDP973004R2) IV	2,950
	Subtotal Air Force Texas	16,530
Various Locations	Planning and Design (BCL98RD4) IV	4,157
	Total for Air Force BRAC IV Construction, FY 1998	75,707
	Air Force BRAC IV Family Housing, FY 1998	
Texas		
Lackland AFB	General Officers Quarters (MBPB993203R2) IV	790
	Total for Air Force BRAC IV Family Housing, FY 1998	790

DLA and DISA had no projects relating to any BRAC round requested in FY 1998.

TITLE XXI—ARMY

FISCAL YEAR 1998

Overview

The House bill would authorize $2,055,364,000 for Army military construction and family housing programs for fiscal year 1998.

The Senate amendment would authorize $1,951,478,000 for this purpose.

The conferees recommend authorization of appropriations of $2,010,466,000 for Army military construction and family housing for fiscal year 1998.

The conferees agree to a general reduction of $36,600,000 in the authorization of appropriations for the Army military construction account. The general reduction is to be offset by savings from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States. The general reduction shall not cancel any military construction authorized by of this Act.

ITEMS OF SPECIAL INTEREST

Planning and design, Army

The Senate report on S.924 (S. Rept. 105-29) directed that, of the amount authorized for

appropriations for Army planning and design, not more than $1,000,000 may be directed toward the design of the gymnasium at the United States Military Academy, New York.

The conferees direct that from the funds authorized for appropriations for planning and design, the Secretary of the Army may use funds as necessary to initiate planning and design activities for the renovation of the gymnasium at the United States Military Academy, New York and authorize $3,100,000 for planning and design activities for the construction of the National Ground Intelligence Center, Charlottesville, Virginia.

Improvements of military family housing, Army

The conferees recommend that, within authorized amounts for improvements of military family housing and facilities, the Secretary of the Army execute the following projects: $9,600,000 for Whole Neighborhood Revitalization (52 units) at Fort Richardson, Alaska; $8,300,000 for Whole Neighborhood Revitalization (32 units) at Fort Wainwright, Alaska; $7,000,000 for Whole Neighborhood Revitalization (106 units) at Fort Riley, Kansas; $6,000,000 for Whole Neighborhood Revitalization, Phase IV (60 units) at Fort Campbell, Kentucky; $5,400,000 for Whole Neighborhood Revitalization (56 units) at the United States Military Academy, New York; and $5,000,000 for Whole Neighborhood Revitalization (48 units) at Fort Belvoir, Virginia.

LEGISLATIVE PROVISIONS ADOPTED

Correction in authorized uses of funds, Fort Irwin, California (sec. 2105)

The Senate amendment contained a provision (sec. 2105) that would authorize the Secretary of the Army to construct a heliport at Fort Irwin, California, using funds authorized and appropriated in fiscal years 1995 and 1996 for construction of the National Training Center Airfield, Fort Irwin, California. The provision would make available $20.0 million for the construction of the heliport.

The House bill contained a similar provision (sec. 2105).

The House recedes with a technical amendment.

TITLE XXII—NAVY

Overview

The House bill would authorize $2,053,025,000 for Navy military construction and family housing programs for fiscal year 1998.

The Senate amendment would authorize $1,898,924,000 for this purpose.

The conferees recommend authorization of appropriations of $2,027,339,000 for Navy military construction and family housing for fiscal year 1998.

The conferees agree to a general reduction of $17,163,000 in the authorization of appropriations for the Navy military construction account. $8,463,000 of the reduction is to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. $8,700,000 of the reduction is to be offset by savings from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States. The general reduction shall not cancel any military construction authorized by title XXII of this Act.

ITEMS OF SPECIAL INTEREST

Improvements of military family housing, Navy

The conferees recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Navy execute the following projects: $4,193,000 for Whole House Revitalization (120 units) at Naval Air Warfare Center China Lake, California; $7,700,000 for Whole House Revitalization (64 units) at Public Works Center Great Lakes, Illinois; $9,000,000 for Whole House Revitalization (90 units) at Naval Air Warfare Center Patuxent River, Maryland; $2,863,000 for Whole House Revitalization (37 units) at Camp Lejeune, North Carolina; and $6,000,000 for Whole House Revitalization (83 units) at Marine Corps Air Station Cherry Point, North Carolina.

LEGISLATIVE PROVISIONS ADOPTED

Authorization of military construction project at Naval Station, Pascagoula, Mississippi, for which funds have been appropriated (sec. 2205)

The House bill contained a provision (sec. 2205) that would authorize $4,900,000 to extend the west quaywall at Naval Station, Pascagoula, Mississippi, for which funds were previously appropriated pursuant to the Military Construction Appropriations Act for Fiscal Year 1997 (Public Law 104-196).

The Senate amendment contained a similar provision (sec. 2205).

The Senate recedes with a technical amendment.

Increase in authorization for military construction projects at Naval Station Roosevelt Roads, Puerto Rico (sec. 2206)

The Senate amendment contained a provision (sec. 2206) that would amend section 2201(b) of the Military Construction Act for Fiscal Year 1997 (Division B of Public Law 104-201) to increase the authorization for the construction of a barracks at Naval Station Roosevelt Roads, Puerto Rico from $23.6 million to $24.1 million. The section would also make certain conforming changes.

The House bill contained no similar provision.

The House recedes with a technical amendment.

TITLE XXIII—AIR FORCE

FISCAL YEAR 1998

Overview

The House bill would authorize $1,810,120,000 for Air Force military construction and family housing programs for fiscal year 1998.

The Senate amendment would authorize $1,793,949,000 for this purpose.

The conferees recommend authorization of appropriations of $1,791,640,000 for Air Force military construction and family housing for fiscal year 1998.

The conferees agree to a general reduction of $36,158,000 in the authorization of appropriations for the Air Force military construction account. $23,858,000 of the reduction is to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. $12,300,000 of the reduction is to be offset by savings from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States. The general reduction shall not cancel any military construction authorized by title XXIII of this Act.

ITEMS OF SPECIAL INTEREST

Improvements of military family housing, Air Force

The conferees recommend that, within authorized amounts for improvements of military family housing and facilities, the Secretary of the Air Force execute the following projects: $5,000,000 for family housing improvements (72 units) at Cannon Air Force Base, New Mexico; $4,600,000 for family housing improvements (60 units) at Tinker Air Force Base, Oklahoma; $7,000,000 for family housing improvements (78 units) at Charleston Air Force Base, South Carolina; and $5,000,000 for family housing improvements (50 units) at Shaw Air Force Base, South Carolina.

LEGISLATIVE PROVISIONS ADOPTED

Authorization of military construction project at McConnell Air Force Base, Kansas, for which funds have been appropriated (sec. 2305)

The House bill contained a provision (sec. 2305) that would authorize $6,700,000 for a consolidated education center at McConnell Air Force Base, Kansas, for which funds were previously appropriated pursuant to the Military Construction Appropriations Act, 1997 (Public Law 104–196).

The Senate amendment contained a similar provision (sec. 2305).

The House recedes with a technical amendment.

TITLE XXIV—DEFENSE AGENCIES

FISCAL YEAR 1998

Overview

The House bill would authorize $650,907,000 for Defense Agencies military construction and family housing programs for fiscal year 1998.

The Senate amendment would authorize $717,677,000 for this purpose.

The conferees recommend authorization of appropriations of $684,016,000 for Defense Agencies military construction and family housing for fiscal year 1998. The conferees agree to a general reduction of $1,200,000 in the authorization of appropriations for the Defense Agencies military construction account. The general reduction is to be offset by savings from adjustments to foreign currency exchange rates for military construction projects and the support of military family housing outside the United States. The general reduction shall not cancel any military constructions authorized by title XXIV of this Act.

LEGISLATIVE PROVISIONS ADOPTED

Clarification of authority relating to fiscal year 1997 project at Naval Station, Pearl Harbor, Hawaii (sec. 2406)

The Senate amendment contained a provision (sec. 2406) that would amend the table in section 2401 (a) of the Military Construction Authorization Act for Fiscal Year 1997 (Division B of Public Law 104–201), to change the location of the Special Operations Command military construction project from Ford Island, Pearl Harbor, Hawaii, to Naval Station, Pearl City Peninsula, Pearl Harbor, Hawaii.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Correction in authorized uses of funds, McClellan Air Force Base, California (sec. 2407)

The Senate amendment contained a provision (sec. 2407) that would authorize the Secretary of Defense to use funds appropriated and authorized in fiscal year 1995 for life saving improvements at McClellan Air Force Base Hospital. The funds would be authorized for use in the following manner: (1) $3.7 million for the construction of an addition to the Aeromedical Clinic, Anderson Air Force Base, Guam; and (2) $6.5 million for the construction of an occupational health clinic, Tinker Air Force Base, Oklahoma.

The House bill contained a similar provision (sec. 2406).

The House recedes with a technical amendment.

Modification of authority to carry out fiscal year 1995 projects (sec. 2408)

The Senate amendment contained a provision (sec. 2408) that would amend section 2401 of the Military Construction Authorization

Act for Fiscal Year 1995, as amended. The provision would authorize an increase of funding for the construction of the Chemical Demilitarization Facilities at Pine Bluff Arsenal, Arkansas, from $115.0 million to $134.0 million, and at Umatilla Army Depot, from $186.0 million to $187.0 million, due to cost increases resulting from a delay in receiving the appropriate permits.

The House bill contained a similar provision (sec. 2407).

The House recedes with a technical amendment.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

FISCAL YEAR 1998

Overview

The House bill would authorize $166,300,000 for the U.S. contribution to the NATO Security Investment Program for fiscal year 1998.

The Senate amendment would authorize $152,600,000 for this purpose.

The conferees agree to authorize $152,600,000 for the United States contribution to the NATO Security Investment Program.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

FISCAL YEAR 1998

Overview

The House bill would authorize $327,208,000 for military construction and land acquisition for fiscal year 1998 for the Guard and Reserve components.

The Senate amendment would authorize $507,279,000 for this purpose.

The conferees recommend authorization of appropriations of $448,033,000 for military construction and land acquisition for fiscal year 1998. This authorization would be distributed as follows:

Army National Guard	$113,750,000
Army Reserve	66,267,000
Naval/Marine Corps Reserve	47,329,000
Air National Guard	190,444,000
Air Force Reserve	30,243,000

The conferees agree to a general reduction of $7,900,000 in the authorization of appropriations for the Air Force Reserve military construction account. The general reduction is to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. The general reduction shall not cancel any military constructions authorized by title XXVI of this Act.

ITEMS OF SPECIAL INTEREST

Reserve construction project, Oakdale, Pennsylvania

The conference agreement provides $6.0 million for phase I construction of a reserve center with an organizational maintenance shop and area maintenance support center at Oakdale, Pennsylvania to support the Army Reserve. The conferees urge the Secretary of the Army to make every effort to include the appropriate level of funding for the remaining phases of construction in the fiscal year 1999 budget request.

LEGISLATIVE PROVISIONS ADOPTED

Authorization of military construction projects for which funds have been appropriated (sec. 2602)

The House bill contained a provision (sec. 2602) that would authorize $5,900,000 for the Army National Guard for additions and alterations to an aviation support facility at Hilo, Hawaii, and $4,800,000 for the Naval Reserve for a bachelor enlisted quarters at Naval Air Station, New Orleans, Louisiana, for which funds were previously appropriated pursuant to the Military Construction Appropriations Act, 1997 (Public Law 104–196).

The Senate amendment contained a similar provision (sec. 2602).

The Senate recedes.

Army Reserve construction project, Camp Williams, Utah (sec. 2603)

The House bill contained a provision (sec. 2603) that would authorize the Secretary of the Army to accept financial or in-kind contributions from the State of Utah for land acquisition, site preparation, and relocation, in connection with the construction of a reserve center and organization maintenance shop in Salt Lake City, Utah.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary and the State to enter into an agreement under which the State would provide financial or in-kind contributions for land acquisition, site preparation, relocation, and other costs in connection with the construction of a reserve center and organization maintenance shop at Camp Williams, Utah.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Extension of authorizations of certain fiscal year 1995 projects (sec. 2702)

The House bill contained a provision (sec. 2702) that would provide for selected extension of certain fiscal year 1994 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

The Senate amendment contained a similar provision (sec. 2702).

The House recedes with a technical amendment.

Extension of authorizations of certain fiscal year 1994 projects (sec. 2703)

The Senate amendment contained a provision (sec. 2703) that would provide for selected extension of certain fiscal year 1994 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1998, whichever is later.

The House bill contained a similar provision (sec. 2703).

The House recedes with a technical amendment.

Extension of authorizations of certain fiscal year 1993 projects (sec. 2704)

The House bill contained a provision (sec. 2704) that would provide for selected extension of certain fiscal year 1993 military construction authorizations until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

The Senate amendment contained a similar provision (sec. 2704).

The Senate recedes.

Extension of availability of funds for construction of relocatable over-the-horizon radar, Naval Station Roosevelt Roads, Puerto Rico (sec. 2706)

The House bill contained a provision (sec. 2706) that would provide for an extension of authority to construct a relocatable over-the-horizon radar at Naval Station Roosevelt Roads, Puerto Rico authorized by the Defense Appropriations Act, 1995 (Public Law 103–335) until October 1, 1998, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 1999, whichever is later.

The Senate amendment contained a similar provision (sec. 2409).

The Senate recedes with a technical amendment.

TITLE XXVIII—GENERAL PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Military Construction Program and Military Family Housing Changes

Use of mobility enhancement funds for unspecified minor construction (sec. 2801)

The House bill contained a provision (sec. 2801) that would authorize the use of funds made available for mobility enhancement for unspecified minor construction. Under the provision, mobility enhancement funds could not be used for unspecified minor construction if the cost of the construction project would exceed $1,500,000.

The Senate amendment contained no similar provision.

The Senate recedes.

Limitation on the use of operation and maintenance funds for facility repair projects (sec. 2802)

The House bill contained a provision (sec. 2802) that would clarify the definition of repair of facilities using operations and maintenance funds.

The Senate amendment contained no similar provision.

The Senate recedes.

Leasing of military family housing, United States Southern Command, Miami, Florida (sec. 2803)

The House bill contained a provision (sec. 2803) that would amend section 2828 of title 10, United States Code, to authorize the Secretary of the Army to lease not more than eight housing units in the vicinity of Miami, Florida, for key and essential personnel of United States Southern Command, as determined by the Secretary, for which the annual rental of such units would exceed the expenditure limitations established by law. This section would establish certain new expenditure limitations related to such housing units.

The Senate amendment contained no similar provision.

The Senate recedes.

Use of financial incentives provided as part of energy savings and water conservation activities (sec. 2804)

The Senate amendment contained a provision (sec. 2804) that would amend section 2865 of title 10, United States Code, to authorize the Secretary of Defense to credit financial incentives received from gas or electric utilities to an appropriation designated by the Secretary. The impact of this authority would be reflected in the Secretary's annual energy report. The provision would also include a conforming amendment.

The House bill contained a similar provision (sec. 2804).

The House recedes with a technical amendment.

Congressional notification requirements regarding use of Department of Defense housing funds for investments in nongovernmental entities (sec. 2805)

The House bill contained a provision (sec. 2805) that would provide for a 30-day notice-and-wait requirement on requests to use funds appropriated or otherwise made available under the authority of subchapter IV of chapter 169 of title 10, United States Code, as a cash contribution by the Department of Defense toward the investment cost in any project entered into under those authorities.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle B—Real Property and Facilities Administration

Increase in ceiling for minor land acquisition projects (sec. 2811)

The House bill contained a provision (sec. 2811) that would increase the maximum limit

for minor land acquisitions from $200,000 to $500,000.

The Senate amendment contained a similar provision (sec. 2801).

The Senate recedes.

Permanent authority regarding conveyance of utility systems (sec. 2812)

The House bill contained a provision (sec. 1423) that would authorize the secretary of a military department to convey, with or without consideration, a utility system, or part of a utility system, to a municipal, private, regional, district, or cooperative utility company or other entity. Such utility systems could include electrical generation and supply systems, water supply and treatment systems, waste water collection and treatment system, steam, hot or chilled water generation and supply systems, natural gas supply systems, and sanitary landfills or lands to be used for sanitary fills. The provision would require the secretary concerned to submit a 21-day notice-and-wait announcement, to include a report containing an economic analysis of the proposed conveyance, to Congress prior to entering into any agreement to convey a utility.

The Senate amendment contained a provision (sec. 2802) that would authorize the service secretaries to convey all or part of government utility systems located on military installations to commercial or public utilities. The utilities that may be conveyed include, but are not limited to: electrical generation and supply; water treatment; water supply; wastewater collection and treatment; steam, hot, chilled water generation and supply, and natural gas supply. The conveyance would be for fair market value, either as a lump-sum payment or as a reduction in utility charges, consistent with applicable Federal and State laws or regulations, for a period sufficient to amortize the monetary value of the utility system, including any conveyed real property. Any lump sum payment received would be credited to an appropriation available for the purchase of like utility services or to an appropriation for the construction of energy and water conservation projects or improvements to other utility systems at the installation. The provision would waive the cost comparison study between civilian and government workers required by chapter 146 of title 10, United States Code. The secretaries would not be authorized to enter an agreement to convey until 21 days after the service secretaries submit an economic analysis to the congressional defense committees.

The House recedes with an amendment that would strike the waiver of a cost comparison study between civilian and government workers required by chapter 146 of title 10, United States Code. The amendment would add the authority to convey a system for the transmission of telecommunications and would require that if the payment for the utility is in the form of reduced utility rates, that these rates be consistent with Federal and state regulations. The amendment would also make certain technical corrections.

Administrative expenses for certain real property transactions (sec. 2813)

The House bill contained a provision (sec. 2812) that would authorize the secretary of a military department to accept reimbursement from non-federal entities for the cost of certain real estate services and transactions, including real estate exchanges, grants, and licenses, done at the request of, and for the benefit of, those entities.

The Senate amendment contained a similar provision (sec. 2803).

The Senate recedes with an amendment that would delete the conveyances of real property as a transaction covered by this authority.

Screening of real property to be conveyed by the Department of Defense (sec. 2814)

The Senate amendment contained a provision (sec. 2805) that would require the Administrator of the General Services Administration (GSA) to screen for federal interest any real property whose conveyance is authorized by the Congress. The Administrator would be required to complete a screen of the property within 30 days of enactment. If the Administrator establishes a federal interest, the property would be conveyed pursuant to the Federal Property and Administrative Services Act of 1949. If it is determined that there is no other federal interest and the property is surplus to the United States Government, the Secretary of the appropriate military department would be authorized to transfer the real property to the designated recipient.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Administrator to screen the property authorized for conveyance for federal interest. Upon notification by the Administrator of the interest of a Federal agency in the property, the Secretary concerned would be required to notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The notification shall include the name of the agency, the proposed use of the property, and the estimated fair market value of the property and improvements. The Secretary shall take no further action for 180 days. If, after that period, the Congress has not rescinded the conveyance, the Secretary may convey the property as specified in the legislation. This requirement would apply to any conveyances of real property enacted in any legislation after December 31, 1997.

Disposition of proceeds from sale of Air Force Plant 78, Brigham City, Utah (sec. 2815)

The Senate amendment contained a provision (sec. 2831) that would authorize the Secretary of the Air Force to use the funds deposited by the Administrator of General Services in the account established under section 204(h)(2)(A) of the Federal Property and Administrative Services Act of 1949 from the sale of Air Force Plant 78, Brigham City, Utah, for maintenance and repair of facilities, or environmental restoration, at other industrial plants of the Air Force.

The House bill contained a similar provision (sec. 2813).

The House recedes with a technical amendment.

Fire protection and hazardous materials protection at Fort Meade, Maryland (sec. 2816)

The Senate amendment contained a provision (sec. 1047) that would require the Secretary of the Army to submit a plan to the congressional defense committees outlining requirements for fire protection services and hazardous materials protection services at Fort Meade, Maryland. The report would also outline a schedule for the implementation of the plan and a detailed list of the funding options available.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Defense Base Closure and Realignment

Consideration of military installations as sites for new Federal facilities (sec. 2821)

The House bill contained a provision (sec. 2821) that would require the head of a federal agency to consult with the Secretary of Defense on the availability of federal property or facilities at a military installations to be closed or realigned prior to acquiring non-federal real property.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the head of the federal agency to consult with and obtain the concurrence of the redevelopment authority regarding the availability and suitability of a former military installation as the location for a new or replacement federal facility. This requirement would expire on July 31, 2001.

Adjustment and diversification assistance to enhance performance of military family support services by private sector sources (sec. 2822)

The Senate amendment contained a provision (sec. 368) that would amend section 2391(b)(5) of title 10, United States Code, to authorize the Secretary of Defense, through the Office of Economic Development, to make grants, conclude cooperative agreements, and supplement other federal funds to assist state or local governments in supporting the efforts of the Department of Defense in privatizing family support activities. These support services would include, but would not be limited to, privatization and outsourcing of military family housing, family housing referrals, child development centers, and library services.

The House bill contained no similar provision.

The House recedes.

Security, fire protection, and other services at property formerly associated with Red River Army Depot, Texas (sec. 2823)

The Senate amendment contained a provision (sec. 1088) that would authorize the Secretary of the Army to enter into an agreement to provide the local redevelopment authority at Red River Army Depot, fire, security, and hazardous material response services on a reimbursable basis.

The House bill contained no similar provision.

The House recedes.

Report on closure and realignment of military installations (sec. 2824)

The Senate amendment contained a provision (sec. 2832) that would require the Secretary of Defense to submit to the congressional defense committees a report on the costs and savings attributable to the four base closure rounds conducted under the base closure laws and on the need, if any, for additional base closure rounds. The report would have to be submitted not later than the fiscal year 2000 budget. The Congressional Budget Office and the Comptroller General would be required to conduct a review of the report. The provision would express a sense of Congress urging the Secretary to develop a system to quantify costs and savings attributable to the closure and realignment of military installations under the base closure process.

The House bill contained no similar provision.

The House recedes with an amendment that would include an assessment of the effect of previous base closure rounds on the military capabilities and the ability of the Armed Forces to fulfill the National Military Strategy. The amendment would also make certain technical corrections.

Sense of Senate regarding utilization of savings derived from base closure process (sec. 2825)

The Senate amendment contained a provision (sec. 2833) that would make it the sense of the Senate that the savings identified from base closure be made available to the Department of Defense solely for the purpose of modernization of weapons systems.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Prohibition against conveyance of property at Long Beach Naval Station to China Ocean Shipping Company (sec. 2826)

The House bill contained a provision (sec. 2822) that would prohibit the Secretary of Defense from conveying, by sale, lease, or other method, any portion of real property to be disposed under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510) to a state-owned shipping company. The section would also preclude the Secretary, as a condition on each conveyance of real property, from subsequently conveying the property to a state-owned shipping company. The section would provide for a reversionary interest of the United States in such property in the event of a conveyance to, or use by, a state-owned shipping company.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would specify that the Secretary of Navy may not convey property at the former Naval Station, Long Beach, California under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510) to the China Ocean Shipping Company (COSCO) or any successor of the company. The section would also preclude the Secretary, as a condition on each conveyance of real property, from subsequently conveying that property to that company. The section would provide for a reversionary interest of the United States in such property in the event of a conveyance to, or use by, COSCO. The provision would require the Secretary of Defense and the Director of the Federal Bureau of Investigations to separately prepare a report on the potential national security implications of transferring the property to COSCO. It would also include the authority for the President to waive the restriction if it is determined that the transfer would not adversely impact national security or significantly increase the counter intelligence burden on the United States intelligence community. The waiver would be effective 30 days after the President notifies the Speaker of the House and the President of the Senate.

Subtitle D—Land Conveyances

Part I—Army Conveyances

Land conveyance, Army Reserve Center, Greensboro, Alabama (sec. 2831)

The Senate amendment contained a provision (sec. 2820) that would authorize the Secretary of the Army to convey, without consideration, to Hale County, Alabama approximately 5.17 acres located at the Army Reserve Center, Greensboro, Alabama. The property was conveyed to the United States by warranty deed dated September 12, 1988, for the purpose of constructing a reserve center which is no longer required.

The House bill amendment contained no similar provision.

The House recedes.

Land Conveyance, James T. Coker Army Reserve Center, Durant, Oklahoma (sec. 2832)

The House bill contained a provision (sec. 2831) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Durant, Oklahoma to Big Five Community Services, Incorporated. The property is to be used for educational purposes. The cost of any surveys necessary for the conveyance shall be borne by Big Five Community Services, Incorporated.

The Senate amendment contained no similar provision.

The Senate recedes.

Land conveyance, Gibson Army Reserve Center, Chicago, Illinois (sec. 2833)

The House bill contained a provision (sec. 2838) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Chicago, Illinois, to the Lawndale Business and Local Development Corporation. The cost of any surveys necessary for the conveyance shall be borne by the Lawndale Business and Local Development.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make the conveyance subject to the condition that the corporation use the property conveyed for economic development purposes.

Land conveyance, Fort A.P. Hill, Virginia (sec. 2834)

The House bill contained a provision (sec. 2832) that would authorize the Secretary of the Army to convey, without consideration, a parcel of unimproved real property at Fort A.P. Hill, Virginia, to Caroline County, Virginia. The property is to be used for a waste transfer station. The costs of any surveys necessary for the conveyance shall be borne by the County.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would specify that the County shall permit the Army, at no cost, to dispose of not less than 1,800 tons of solid waste annually at the facility established on the conveyed property.

Land conveyances, Fort Dix, New Jersey (sec. 2835)

The House bill contained a provision (sec. 2839) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements at Fort Dix, New Jersey, to the Borough of Wrightstown, New Jersey and a parcel with improvements to the Board of Education of New Hanover, New Jersey. The property is to be used for educational and economic purposes. The cost of any surveys necessary for the conveyance shall be borne by the Borough.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include a reversionary clause in the event the Secretary determines that the conveyed property is not being utilized in accordance with the conditions and purposes of the conveyance.

Land conveyances, Fort Bragg, North Carolina (sec. 2836)

The House bill contained a provision (sec. 2837) that would authorize the Secretary of the Army to convey, without consideration, a parcel of unimproved real property at Fort Bragg, North Carolina, to the Town of Spring Lake, North Carolina. The property is to be used for improved access to a waste treatment facility and to permit economic development. The cost of any surveys necessary for the conveyance shall be borne by the Town.

The Senate amendment contained a provision (sec. 2823) that would authorize the conveyance, without consideration, of 157 acres of land at Fort Bragg, North Carolina to Harnett County, North Carolina for educational and economic development purposes. The provision would also authorize the conveyance, at fair market value, of a parcel of land in the amount of 137 acres at Fort Bragg, North Carolina to Harnett County. The provisions would explicitly transfer any environmental liability from the United States government to the county.

The conference agreement includes both provisions. The Senate recedes with an amendment that would require the real property conveyed to the Town of Spring Lake be subject to the reversionary clause contained in the Senate provision. The House recedes with an amendment that would strike the transfer of liability from the United States government to the county. The conferees understand that this transfer is not required.

Land conveyance, Hawthorne Army Ammunition Depot, Mineral County, Nevada (sec. 2837)

The Senate amendment contained a provision (sec. 2813) that would authorize the Secretary of the Army to convey, without reimbursement, to Mineral County, Nevada, approximately 33.1 acres of real property and improvements that constitute the Schweer Drive Housing Area. The conveyance would be contingent upon the County's acceptance of the property subject to such easements or rights of way as the Secretary considers appropriate. The provision would also require the County to reimburse the United States in the event the property is sold within 10 years. The reimbursement would be equal to the lesser of the amount of the sale of the property sold, or the fair market value of the property sold, excluding the value of any improvements made by the County.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Expansion of land conveyance authority, Indiana Army Ammunition Plant,

Charlestown, Indiana (sec. 2838)

The House bill contained a provision (sec. 2833) that would amend section 2858 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106) to provide for the additional conveyance of 500 acres of real property to the State of Indiana.

The Senate amendment contained no similar provision.

The Senate recedes.

Modification of land conveyance, Lompoc, California (sec. 2839)

The House bill contained a provision (sec. 2834) that would modify the purpose of the conveyance authorized by section 834(b)(1) of the Military Construction Authorization Act, 1985 (Public Law 98-407). The modification would permit the real property to be conveyed by the Secretary of the Army to the City of Lompoc, California, to be used for educational or recreational purposes.

The Senate amendment contained no similar provision.

The Senate recedes.

Modification of land conveyance, Rocky Mountain Arsenal, Colorado (sec. 2840)

The House bill contained a provision (sec. 2835) that would permit the Administrator of General Services to enter into a negotiated sale of 815 acres of real property at Rocky Mountain Arsenal, Colorado, to Commerce City, Colorado.

The Senate amendment contained a provision (sec. 2819) that would authorize the conveyance of the 815 acres at fair market value, as determined jointly by the Administrator and Commerce City.

The House recedes with a clarifying amendment.

Correction of land conveyance authority, Army Reserve Center, Anderson, South Carolina (sec. 2841)

The House bill contained a provision (sec. 2836) that would correct the name of the conveyee in the conveyance authorized by section 2824 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104-201). The correction would permit the conveyance to be made by the Secretary of the Army to the Board of Education, Anderson County, South Carolina.

The Senate amendment contained a similar provision (sec. 2812).

The House recedes with a technical amendment.

Part II—Navy Conveyances

Land conveyance, Topsham Annex, Naval Air Station, Brunswick, Maine (sec. 2851)

The Senate amendment contained a provision (sec. 2815) that would authorize the Secretary of the Navy to convey, without consideration, to the Maine School Administrative District No. 75, Topsham, Maine, a parcel of real property, consisting of approximately 40 acres located at the Topsham Annex, Navy Air Station, Brunswick, Maine. The provision would require the district to use the conveyed property for educational purposes. It would further provide for an interim lease of the property until the property is conveyed. As compensation for the lease, the district would provide security and maintenance.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Land conveyance, Naval Weapons Industrial Reserve Plant No. 464, Oyster Bay, New York (sec. 2852)

The Senate amendment contained a provision (sec. 2816) that would authorize the Secretary of the Navy to convey, without consideration, to the County of Nassau, New York, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 110 acres and improvements comprising the Naval Weapons, Industrial Reserve Plant No. 464, Oyster Bay, New York. The purpose of the conveyance would be for economic development and would include equipment, fixtures, and other personal property located on the parcel as the Secretary determines not to be required by the Navy. The provision would authorize the Navy to enter into an interim lease with the County. The County would provide security services, fire protection, and maintenance work, as specified by the Secretary. The provision would specify that, if the Secretary determines within a 5-year period after the conveyance that the property is not used in accordance with the condition of the conveyance, the property would revert to the United States.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Correction of lease authority, Naval Air Station, Meridian, Mississippi (sec. 2853)

The House bill contained a provision (sec. 2851) that would change the name of the conveyee in the conveyance authorized by section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201). The correction would permit the conveyance to be made by the Secretary of the Navy to the County of Lauderdale, Mississippi.

The Senate amendment contained no similar provision.

The Senate recedes.

Part III—Air Force Conveyances

Land transfer, Eglin Air Force Base, Florida (sec. 2861)

The House bill contained a provision (sec. 2861) that would authorize the Secretary of Transportation to transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Air Force a parcel of real property with improvements at Cape San Blas, Gulf County, Florida, previously withdrawn for use as the location of a lighthouse. The Secretary of the Air Force would incorporate the property as part of Eglin Air Force Base, Florida.

The Senate amendment contained no similar provision.

The Senate recedes.

Land conveyance, March Air Force Base, California (sec. 2862)

The House bill contained a provision (sec. 2863) that would authorize the Secretary of the Air Force to convey a parcel of real property at March Air Force Base, California, to Air Force Village West, Incorporated, of Riverside, California. As consideration for the parcel to be conveyed, the Corporation shall pay to the United States an amount equal to the fair market value of the real property, as determined by the Secretary. The section would also make technical modifications to section 835 of the Military Construction Authorization Act, 1985 (Public Law 98–407).

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Land conveyance, Hancock Field, Syracuse, New York (sec. 2864)

The Senate amendment contained a provision (sec. 2821) that would authorize the conveyance, without consideration, of approximately 15 acres of excess real property located at Hancock Field, Syracuse, New York. The provision would include a reversionary clause in the event the property is not used for economic redevelopment.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Land conveyance, Havre Air Force Station, Montana, and Havre Training Site, Montana (sec. 2865)

The Senate amendment contained a provision (sec. 2822) that would authorize the Secretary of the Air Force to convey, without consideration, two parcels of real property in the amount of 94 acres comprising the former Havre Air Force Station and the former Havre Training Site, Montana. The purpose of the conveyance would be for housing and economic development.

The House bill contained no similar provision.

The House recedes.

Land conveyance, Charleston Family Housing Complex, Bangor, Maine (sec. 2866)

The Senate amendment contained a provision (sec. 2817) that would authorize the Secretary of the Air Force to convey, without consideration, to the City of Bangor, Maine, a parcel of real property consisting of approximately 19 acres and improvements located in Bangor, Maine and known as the Charleston Family Housing Complex. The purpose of the conveyance would be for economic development. The provision would require the city to reimburse the United States in the event the property is sold within 10 years. The reimbursement would be equal to the lesser of the amount of the sale of the property sold, or, the fair market value of the property sold excluding the value of any improvements made by the city.

The House bill contained no similar provision.

The House recedes.

Study of land exchange options, Shaw Air Force Base, South Carolina (sec. 2867)

The House bill contained a provision (sec. 2862) that would amend section 2874 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106) to require the Secretary of the Air Force to conduct a study to identify real property suitable for exchange to affect the land exchange at Shaw Air Force Base, South Carolina, authorized pursuant to that law.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle E—Other Matters

Repeal of requirement to operate Naval Academy Dairy Farm (sec. 2871)

The House bill contained a provision (sec. 2881) that would repeal section 810 of the Military Construction Authorization Act of 1968 (Public Law 90–110), which prohibits the Department of the Navy from taking any action to close, dispose, or phase out the operation of the Naval Academy Dairy Farm.

The Senate amendment contained a similar provision (sec. 1066).

The Senate recedes with a clarifying amendment.

Long-term lease of property, Naples, Italy (sec. 2872)

The House bill contained a provision (sec. 2882) that would permit the Secretary of the Navy to enter into a long-term lease, not to exceed twenty years, for structures and real property relating to a regional hospital complex in Naples, Italy, that the Secretary determines to be necessary for purposes of the Naples Improvements Initiative.

The Senate amendment contained a similar provision (sec. 2814).

The Senate recedes.

Designation of military family housing at Lackland Air Force Base, Texas, in honor of Frank Tejeda, a former Member of the House of Representatives (sec. 2873)

The House bill contained a provision (sec. 2883) that would authorize the Secretary of the Air Force to designate military family housing developments to be constructed at Lackland Air Force Base, Texas, in honor of the late Frank Tejeda, a Representative in Congress from the State of Texas.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Fiber-optics based telecommunications linkage of military installations (sec. 2874)

The House bill contained a provision (sec. 1502) that would require the Department of Defense to install a fiber-optics based telecommunications network to link the military installations in a metropolitan area.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would provide sufficient time for the competition of such a contract and would allow the Department to tailor the network to its requirements. The conferees note that the Secretary could build on and expand ongoing Department of the Navy initiatives to meet these requirements. The conferees also encourage the Secretary to have a signed contract to implement this provision by December 1, 1998.

LEGISLATIVE PROVISIONS NOT ADOPTED

Modification of authority for disposal of certain real property, Fort Belvoir, Virginia

The Senate amendment contained a provision (sec. 2811) that would repeal section 2821 of the Military Construction Act for Fiscal Years 1990 and 1991, as amended by section 2854 of the Military Construction Authorization Act for Fiscal Year 1996. These provisions would have authorized the conveyance of the parcel of real property, including improvements thereon, at Fort Belvoir, Virginia, consisting of approximately 820 acres known as the Engineer Proving Ground.

The House bill contained no similar provision.

The Senate recedes.

The conferees direct the Secretary of the Army to provide to the Committee on Armed Services of the Senate and the Committee on

National Security of the House of Representatives a report on the status of the conveyance and redevelopment of the Engineer Proving Ground. The report shall be coordinated with the appropriate officials in Fairfax County and shall be submitted six months after enactment of this Act and annually thereafter until the redevelopment is completed.

TITLE XXIX—SIKES ACT IMPROVEMENT

Sikes Act Improvement (secs. 2901–2914)

The House bill contained several provisions (secs. 2901–2914) that would amend and reauthorize the Sikes Act, which was last amended in 1986, and had an authorization that expired in 1993. In its current form, the Sikes Act authorizes the Secretary of Defense to enter into cooperative plans with the Secretary of Interior and the appropriate State fish and wildlife agencies. The House provisions would require the secretary of each military department to develop a more comprehensive integrated natural resources plan for each military installation. Each plan must be consistent with the use of military lands to ensure military preparedness, and cannot result in any net loss in the capability to support the military mission.

The Senate amendment (secs. 381–392) and the House bill (secs. 2901–2914) contained similar provisions. However, the Senate amendment (sec. 383) would require the completion of integrated natural resources management plans three years after the date of the initial report to Congress, rather than the two years provided for in the House bill (sec. 2905). There is also a difference between the House bill (sec. 2911) and the Senate amendment (sec. 386) reference to the funds underlying cooperative agreements. The House bill provides for the use of ''funds appropriated'' and the Senate amendment provides for the use of ''funds made available'' for the cost of goods and services covered under cooperative agreements.

The House recedes with an amendment that would require the completion of integrated natural resources management plans three years following the submission of the initial report to Congress. The provision would specify that goods and services provided under a cooperative agreement would be paid for with ''funds appropriated.'' The provision would also include minor legislative drafting modifications.

The conferees note that the reauthorization of the Sikes Act would directly affect the nearly 25 million acres managed by the Department of Defense. The conferees agree that reauthorization of the Sikes Act is not intended to expand the management authority of the U.S. Fish and Wildlife Service or the State fish and wildlife agencies in relation to military lands. Moreover, it is expected that integrated natural resources management plans shall be prepared to facilitate installation commanders' conservation and rehabilitation efforts that support the use of military lands for readiness and training of the armed forces.

The conferees note that the military departments will have completed approximately 60 percent of the required integrated natural resources management plans by October 1, 1997. The conferees understand that most of these plans have been prepared consistent with the criteria established under this provision. In addition, the conferees note the significant investment made by the military departments in the completion of current integrated natural resources management plans. The conferees intend that the plans that meet the criteria established under this provision should not be subject to renegotiation and reaccomplishment.

Finally, the conferees understand that approximately $5.0 million is programmed for the preparation of integrated natural resources management plans on an annual basis. The conferees have been assured by the Department of Defense that the reauthorization of the Sikes Act will not result in increased funds for the plans. Based on the Department's assurances as to the programmed funding level, the conferees expect that each of the military departments will have sufficient funds in fiscal year 1998 and subsequent fiscal years to complete plans by the statutory deadline.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Overview

The budget request for fiscal year 1998 contained an authorization of $13,597.6 million for the Defense Nuclear Activities. The House bill would authorize $10,951.9 million. The Senate amendment would authorize $11,204.4 million. The conferees recommended an authorization of $11,502.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1998

(In Thousands of $'s)

	FY 1998 Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
ATOMIC ENERGY DEFENSE ACTIVITIES (053)					
Weapons Activities	3,576,255	3,966,050	4,018,450	570,437	4,146,692
Defense Environmental Restoration and Waste Management	5,052,499	5,283,270	5,087,274	477,390	5,529,889
Defense Nuclear Waste Disposal	190,000	190,000	190,000	0	190,000
Other Defense Actitivities	1,605,981	1,512,551	1,633,981	30,282	1,636,263
Defense Asset Acquisition	2,166,859	0	0	(2,166,859)	0
Defense Environmental Privatization	1,006,000	0	274,700	(1,006,000)	0
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500
Total Atomic Energy Defense Activities (053)	13,615,094	10,969,371	11,221,905	(2,094,750)	11,520,344

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
ATOMIC ENERGY DEFENSE ACTIVITIES					
WEAPONS ACTIVITIES					
Stockpile Stewardship:					
Core stockpile stewardship					
Operation and maintenance	1,158,290	1,158,290	1,144,290	130,000	1,288,290
Construction:					
97-D-102 Dual-axis radiographic hydrotest facility, LANL, Los Alamos, NM	0	46,300	46,300	46,300	46,300
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	0	19,810	19,810	19,810	19,810
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	0	13,400	13,400	13,400	13,400
96-D-105 Contained firing facility addition, LLNL, Livermore, CA	0	19,300	19,300	19,300	19,300
Total, Construction	0	98,810	98,810	98,810	98,810
Total, Core Stockpile Stewardship	1,158,290	1,257,100	1,243,100	228,810	1,387,100
Inertial fusion					
Operation and maintenance	217,000	217,000	217,000		217,000

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Construction:					
96-D-111 National ignition facility Site, TBD.	0	197,800	197,800	197,800	197,800
Total, Inertial Fusion	217,000	414,800	414,800	197,800	414,800
Technology transfer/education					
Technology transfer	60,000	52,500	60,000	(3,750)	56,250
Education	9,000	9,000	9,000		9,000
Total, Technology Transfer/Education	69,000	61,500	69,000	(3,750)	65,250
Total, Stockpile stewardship	1,444,290	1,733,400	1,726,900	422,860	1,867,150
Stockpile Management:					
Operation and maintenance	1,828,465	1,868,265	1,861,465	62,800	1,891,265
Construction:					
Core stockpile management					
98-D-123 Stockpile mgmt. restructuring init. Tritium factory modernization and consolidation, Savannah River, SR	0	11,000	11,000	11,000	11,000
98-D-124 Stockpile mgmt. restructuring init. Y-12 consolidation, Oak Ridge, TN	0	6,450	6,450	6,450	6,450
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM	0	9,200	9,200	9,200	9,200

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
97-D-124 Steam plant waste water treatment facility upgrade, Y-12 plant, Oak Ridge, TN.	0	1,900	1,900	1,900	1,900
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	0	6,900	6,900	6,900	6,900
96-D-123 Retrofit HVAC and chillers for ozone protection, Y-12 plant, Oak Ridge, TN.	0	2,700	2,700	2,700	2,700
95-D-102 Chemistry and metallurgy research (CMR) upgrades project, LANL, Los Alamos, NM	0		15,700	5,000	5,000
95-D-122 Sanitary sewer upgrade, Y-12 plant, Oak Ridge, TN	0	12,600	12,600	12,600	12,600
94-D-124 Hydrogen fluoride supply system, Y-12 plant, Oak Ridge, TN	0	1,400	1,400	1,400	1,400
94-D-125 Upgrade life safety, Kansas City plant, Kansas City, MO	0	2,000	2,000	2,000	2,000
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	0	2,100	2,100	2,100	2,100

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
92-D-126 replace emergency notification system, Various Locations	0	3,200	3,200	3,200	3,200
88-D-122 Facilities capability assurance program (FCAP), various locations	0	18,920	18,920	18,920	18,920
Total, Construction	0	78,370	94,070	83,370	83,370
Total, Core Stockpile Management	1,828,465	1,946,635	1,955,535	146,170	1,974,635
Tritium Source:					
98-D-125 Tritium extraction facility, SR	0	9,650	9,650	9,650	9,650
98-D-126 Accelerator production of tritium, Various Locations	0	67,865	67,865	67,865	67,865
Total, Construction	0	77,515	77,515	77,515	77,515
Total, Stockpile Management	1,828,465	2,024,150	2,033,050	223,685	2,052,150
Program direction	303,500	208,500	268,500	(53,500)	250,000
Subtotal, Weapons Activities	3,576,255	3,966,050	4,028,450	593,045	4,169,300
General Reductions	0	0	0	(20,000)	(20,000)
Use of Prior Year Balances	0	0	(10,000)	(2,608)	(2,608)
TOTAL, WEAPONS ACTIVITIES	3,576,255	3,966,050	4,018,450	570,437	4,146,692

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.

Environmental Restoration:

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Operating expenses	1,744,573	1,000,973	1,741,373	(733,600)	1,010,973
Closure projects		890,800	0	875,000	875,000
Waste Management:					
Operation and maintenance	1,455,576	1,455,576	1,478,876	35,300	1,490,876
Construction:					
98-D-401 H-tank farm storm water systems upgrade, Savannah River, SC	0	1,000	1,000	1,000	1,000
97-D-402 Tank farm restoration and safe operations, Richland, WA	0	13,961	13,961	13,961	13,961
96-D-408 Waste management upgrades, various locations	0	8,200	8,200	8,200	8,200
95-D-402 Install permanent electrical service, WIPP, AL	0	176	176	176	176
95-D-405 Industrial landfill V and construction/ demolition landfill VII, Y-12 Plant,Oak Ridge,TN	0	3,800	3,800	3,800	3,800
95-D-407 219-S Secondary containment upgrade, Richland, WA	0	2,500	2,500	2,500	2,500

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
94-D-404 Melton Valley storage tank capacity increase, ORNL	0	1,219	1,219	1,219	1,219
94-D-407 Initial tank retrieval systems, Richland, WA	0	15,100	15,100	15,100	15,100
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	0	17,520	17,520	17,520	17,520
92-D-172 Hazardous waste treatment and processing facility, Pantex Plant	0	5,000	5,000	5,000	5,000
89-D-174 Replacement high level waste evaporator Savannah River, SC	0	1,042	1,042	1,042	1,042
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	0	11,250	11,250	11,250	11,250
Total, Construction	0	80,768	80,768	80,768	80,768
Total, Waste management	1,455,576	1,536,344	1,559,644	116,068	1,571,644
Technology development					
Operation and maintenance	257,881	182,881	237,881	(37,881)	220,000
Total, Technology development	257,881	182,881	237,881	(37,881)	220,000
Nuclear material and facility stabilization					

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Operation and maintenance	1,118,114	1,159,114	1,181,114	58,000	1,176,114
Construction:					
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	0	8,136	8,136	8,136	8,136
98-D-700 INEL road rehabilitation, INEL, ID	0	500	500	500	500
97-D-450 Actinide packaging and storage facility, Savannah River Site. Aiken, SC	0	18,000	18,000	18,000	18,000
97-D-451 B-Plant safety class ventilation upgrades, Richland, WA	0	2,000	2,000	2,000	2,000
97-D-470 Environmental monitoring laboratory/Health physics site support facility, Savannah River Site, Aiken, SC	0	5,600	5,600	5,600	5,600
97-D-473 Health physics site support facility, Savannah River, Aiken, SC	0	4,200	4,200		0
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	0	16,744	16,744	16,744	16,744
96-D-461 Electrical distribution upgrade, Idaho National Engineering Laboratory, ID	0	2,927	2,927	2,927	2,927

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, ID	0	14,985	14,985	14,985	14,985
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	0	8,500	8,500	8,500	8,500
95-D-155 Upgrade site road infrastructure, Savannah River, South Carolina	0	2,713	2,713	2,713	2,713
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEL, ID	0	602	602	602	602
Total, Construction	0	84,907	84,907	80,707	80,707
Total, Nuclear material and facility stabilization	1,118,114	1,244,021	1,266,021	138,707	1,256,821
Analysis, education, and risk management					
Program direction	388,251	288,251	373,251	(42,500)	345,751
Policy and management	23,104	20,000	18,104	(3,104)	20,000
Environmental science program	50,000	55,000	0	5,000	55,000
Hanford Tank waste vitrification project		70,000			0
Environmental management privatization	0		0	224,700	224,700
Closure projects	15,000	15,000	0	(15,000)	0
Subtotal, Defense environmental management	5,052,499	5,303,270	5,196,274	527,390	5,579,889
Savannah river pension refund	0		0		0

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Use of Prior Year Balances	0	0	(109,000)		0
General Reductions		(20,000)		(50,000)	(50,000)
TOTAL, DEF ENVIRON RESTORATION & WASTE MGMT.	5,052,499	5,283,270	5,087,274	477,390	5,529,889
OTHER DEFENSE ACTIVITIES					
Nonproliferation and national security					
Verification and control technology					
Nonproliferation and verification R&D					
Operation and maintenance	210,000	190,000	210,000		210,000
Arms control.	234,600	205,000	234,600		234,600
Intelligence	33,600	33,600	33,600		33,600
Total, Verification and Control Technology	478,200	428,600	478,200	0	478,200
Nuclear safeguards and security	47,200	47,200	47,200		47,200
Security investigations	20,000	25,000	20,000	5,000	25,000
Emergency management	27,700	17,000	27,700	(7,700)	20,000
Program direction - NN	94,900	68,900	84,900	(16,000)	78,900
Total, Nonproliferation and national security	668,000	586,700	658,000	(18,700)	649,300
Worker and community transition					
Worker and community transition	65,800	20,000	65,800	(8,141)	57,659
Program direction - WT	4,700	2,000	4,700	(1,200)	3,500
Total, Worker and community transition	70,500	22,000	70,500	(9,341)	61,159

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Fissile materials control and disposition					
Operation and maintenance.	99,451	99,451	99,451		99,451
Program direction - MD	4,345	4,000	4,345	(345)	4,000
Total, Fissile Materials Control and Disposition	103,796	103,451	103,796	(345)	103,451
Environment, Safety & Health					
Office of environment, safety and health (defense)	54,000	63,000	35,000	20,000	74,000
Program direction - EH	0	10,000	0	20,000	20,000
Total, Environment, safety and health	54,000	73,000	35,000	40,000	94,000
Office of hearings and appeals	2,685	1,900	2,685	(785)	1,900
Nuclear Energy:					
Nuclear technology research and development	25,000	12,000	25,000	(13,000)	12,000
International nuclear safety	50,000	25,000	50,000	(15,000)	35,000
Nuclear security	4,000	0	4,000	(4,000)	0
Chornobyl shutdown initiative	2,000	0	2,000	(2,000)	0
Plutonium reactor core conversion		10,000			0
Total, Nuclear Energy	81,000	47,000	81,000	(34,000)	47,000
Naval reactors:					
Naval reactors development					
Operation and maintenance	605,920	648,920	648,920	30,000	635,920

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Construction:					
98-D-200 Site laboratory/facility upgrade, various locations	0	1,200	5,700	5,700	5,700
97-D-201 Advanced test reactor secondary coolant system refurbishment, INEL, ID	0	4,100	4,100	4,600	4,600
95-D-200 Laboratory systems and hot cell upgrades, various locations	0	1,100	1,100	1,100	1,100
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	0	3,100	3,100	3,100	3,100
Total, Construction	0	9,500	14,000	14,500	14,500
Total, Naval reactors development	605,920	658,420	662,920	44,500	650,420
Program direction	20,080	20,080	20,080		20,080
Total, Naval reactors.	626,000	678,500	683,000	44,500	670,500
Independent Cost Assessment				15,000	15,000
Subtotal, Other defense activities	1,605,981	1,512,551	1,633,981	36,329	1,642,310
Adjustments:					
Use of Prior Year Balances	0	0	0	(6,047)	(6,047)
Total, Adjustments	0	0	0	(6,047)	(6,047)
TOTAL, OTHER DEFENSE ACTIVITIES	1,605,981	1,512,551	1,633,981	30,282	1,636,263
DEFENSE NUCLEAR WASTE DISPOSAL					
Defense nuclear waste disposal	190,000	190,000	190,000	0	190,000

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
DEFENSE ASSETS ACQUISITION					
Weapons Activities					
Stockpile stewardship					
Core stockpile stewardship					
97-D-102 Dual-axis radiographic hydrotest facility, LANL, Los Alamos, NM	46,300	0	0	(46,300)	0
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	51,106	0	0	(51,106)	0
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	19,800	0	0	(19,800)	0
96-D-104 Processing and environmental technology laboratory, SNL, Albuquerque, NM	29,820	0	0	(29,820)	0
96-D-105 Contained firing facility addition, LLNL, Livermore, CA	26,000	0	0	(26,000)	0
Total, Core stockpile stewardship	173,026	0	0	(173,026)	0
Inertial fusion					

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
96-D-111 National ignition facility Site, TBD	876,400	0	0	(876,400)	0
Total, Stockpile stewardship	1,049,426	0	0	(1,049,426)	0
Stockpile management					
Core stockpile management					
98-D-123 Stockpile mgmt. restructuring init. Tritium factory modernization and consolidation, Savannah River, SR.	14,343	0	0	(14,343)	0
98-D-124 Stockpile mgmt. restructuring init. Y-12 consolidation, Oak Ridge, TN	7,311	0	0	(7,311)	0
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM.	41,292	0	0	(41,292)	0
97-D-123 Structural upgrades, Kansas City plant, Kansas City, KS.	16,600	0	0	(16,600)	0
97-D-124 Steam plant waste water treatment facility upgrade, Y-12 plant, Oak Ridge, TN.	1,900	0	0	(1,900)	0
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	10,600	0	0	(10,600)	0
96-D-123 Retrofit HVAC and chillers for ozone					

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
protection, Y-12 plant, Oak Ridge, TN	2,700	0	0	(2,700)	0
95-D-102 Chemistry and metallurgy research (CMR) upgrades project, LANL, Los Alamos, NM	106,360	0	0	(106,360)	0
95-D-122 Sanitary sewer upgrade, Y-12 plant, Oak Ridge, TN	12,600	0	0	(12,600)	0
94-D-124 Hydrogen fluoride supply system, Y-12 plant, Oak Ridge, TN	1,400	0	0	(1,400)	0
94-D-125 Upgrade life safety, Kansas City plant, Kansas City, MO	2,000	0	0	(2,000)	0
94-D-128 Environmental safety and health analytical laboratory, Pantex plant, Amarillo, TX	3,000	0	0	(3,000)	0
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	2,100	0	0	(2,100)	0
92-D-126 replace emergency notification system, VL	3,200	0	0	(3,200)	0
88-D-122 Facilities capability assurance program (FCAP), various locations	19,520	0	0	(19,520)	0

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
88-D-123 Security enhancement, Pantex plant, Amarillo, TX	0	0	0		0
Total, Core stockpile managment	244,926	0	0	(244,926)	0
Tritium Source					
98-D-125 Tritium extraction facility, SR	39,453	0	0	(39,453)	0
98-D-126 Acceleration production of tritium, VL.	168,590	0	0	(168,590)	0
Total, Stockpile management	452,969	0	0	(452,969)	0
Total, Weapons Activities	1,502,395	0	0	(1,502,395)	0
Defense Environmental Restoration & Waste Management					
Waste Management:					
98-D-401 H-tank farm storm water systems upgrade, Savannah River Site, Aiken, SC	12,000	0	0	(12,000)	0
97-D-402 Tank farm restoration and safe operations, Richland, WA.	41,530	0	0	(41,530)	0
96-D-408 Waste management upgrades, various locations	12,709	0	0	(12,709)	0

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
95-D-402 Install permanent electrical service, WIPP, AL	176	0	0	(176)	0
95-D-405 Industrial landfill V and construction/ demolition landfill VII, Y-12 Plant,Oak Ridge,TN	3,800	0	0	(3,800)	0
95-D-407 219-S Secondary containment upgrade, Richland, WA	2,500	0	0	(2,500)	0
94-D-404 Melton Valley storage tank capacity increase, ORNL	1,219	0	0	(1,219)	0
94-D-407 Initial tank retrieval systems, Richland, WA	182,800	0	0	(182,800)	0
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	171,969	0	0	(171,969)	0
92-D-172 Hazardous waste treatment and processing facility, Pantex Plant.	5,000	0	0	(5,000)	0
89-D-174 Replacement high level waste evaporator Savannah River, SC	1,042	0	0	(1,042)	0
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	23,573	0	0	(23,573)	0

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Total, Waste Management	458,318	0	0	(458,318)	0
Nuclear Material and Facility Stabilization					
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	13,636	0	0	(13,636)	0
98-D-700 INEL road rehabilitation, INEL, ID	10,800	0	0	(10,800)	0
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC	18,000	0	0	(18,000)	0
97-D-451 B-Plant safety class ventilation upgrades, Richland, WA	2,000	0	0	(2,000)	0
97-D-470 Environmental monitoring laboratory, Savannah River Site, Aiken, SC	27,780	0	0	(27,780)	0
97-D-473 Health physics site support facility, Savannah River, Aiken, SC	15,200	0	0	(15,200)	0
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	16,744	0	0	(16,744)	0

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
96-D-461 Electrical distribution upgrade, Idaho National Engineering Laboratory, ID.	2,927	0	0	(2,927)	0
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, ID	38,500	0	0	(38,500)	0
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	34,959	0	0	(34,959)	0
95-D-155 Upgrade site road infrastructure, Savannah River, South Carolina	2,713	0	0	(2,713)	0
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEL, ID	1,087	0	0	(1,087)	0
Total, Nuclear Material and Facility Stabilization	184,346	0	0	(184,346)	0
Total, Defense Environ. Restoration & Waste Mgmt	642,664	0	0	(642,664)	0
Other Defense Activities					
Naval Reactors					
98-D-200 Site laboratory/facility upgrade, various locations	1,200	0	0	(1,200)	0
97-D-201 Advanced test reactor secondary coolant system refurbishment, INEL, ID	4,600	0	0	(4,600)	0

Fiscal Year 1998 Department of Energy Defense Activities

(Dollars in Thousands)

Account Title	FY 1998 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
95-D-200 Laboratory systems and hot cell upgrades, various locations	1,100	0	0	(1,100)	0
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	14,900	0	0	(14,900)	0
Total, Naval reactors	21,800	0	0	(21,800)	0
Total, Other Defense Activities	21,800	0	0	(21,800)	0
TOTAL, DEFENSE ASSETS ACQUISITION	2,166,859	0	0	(2,166,859)	0
ATOMIC ENERGY DEFENSE ACTIVITIES.	12,591,594	10,951,871	10,929,705	(1,088,750)	11,502,844
EM PRIVATIZATION					
Def. EM privatization init.(Fixed asset acquisition)	1,006,000	0	274,700	(1,006,000)	0
TOTAL, DOE ATOMIC ENERGY DEFENSE ACTIVITIES	13,597,594	10,951,871	11,204,405	(2,094,750)	11,502,844
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500		17,500
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	13,615,094	10,969,371	11,221,905	(2,094,750)	11,520,344

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—National Security Programs Authorizations

Weapons activities (sec. 3101)

The House bill contained a provision (sec. 3101) that would authorize $4.0 billion for the Department of Energy (DOE) weapons activities.

The Senate amendment contained a similar provision (sec. 3101) that would authorize $4.0 billion for DOE weapons activities.

The Senate recedes with an amendment that would authorize $4.1 billion for this account for the following activities: $1.9 billion for stockpile stewardship; $2.0 billion for stockpile management; and $250.0 million for program direction. The authorization includes a general reduction of $22.6 million. The conferees recommend a reduction of $53.5 million to the budget request for program direction. The conferees note that recent independent assessments from the Institute for Defense Analysis and the General Accounting Office have identified a number of recommendations regarding how best to streamline the management structure within the Office of Defense Programs. The conferees believe that implementing such recommendations would reduce management costs and increase the effectiveness of the Department's weapons programs.

The budget request included $15.7 million for the incremental component of the construction upgrades at the Chemistry and Metallurgy Research Facility at Los Alamos National Laboratory. Because of cost overruns and pending the outcome of the Department's ongoing review into this project, the conferees recommend $5.0 million for this activity. The conferees adopt this position, without prejudice.

The conferees recommend $217.0 million, the amount requested, for the inertial confinement fusion operating program. Within the total amount authorized for this activity, the conferees recommend that $26.1 million be made available for the University of Rochester's Laboratory for Laser Energetics, an increase of $2.5 million.

The conferees recommend an additional $10.0 million for a surety program to improve waste minimization efforts related to the Department's stockpile management program and an additional $8.0 million to continue tritium facility upgrades initiated in fiscal year 1997 at the Savannah River Site.

The conferees recommend $65.3 million for technology transfer and education. Of this amount, the conferees recommend that $10.0 million be made available for the American Textiles Partnership program.

Environmental restoration and waste management (sec. 3102)

The House bill contained a provision (sec. 3102) that would authorize $5.3 billion for Department of Energy (DOE) environmental restoration and waste management activities.

The Senate amendment contained a similar provision (sec. 3102) that would authorize $5.1 billion for DOE environmental restoration and waste management activities. The Senate amendment authorized $274.7 million for Defense Environmental Management Privatization projects in a separate provision.

The Senate recedes with an amendment that would authorize $5.5 billion for Environmental Management activities, including: $1.0 billion for environmental restoration; $1.6 billion for waste management; $220.0 million for technology development; $1.3 billion for nuclear material and facility stabilization; $20.0 million for policy and management; $55.0 million for the Environmental Management science program; $875.0 million for closure projects; $345.8 million for program direction; and $224.7 million for defense Environmental Management privatization. The authorization includes a general reduction of $50.0 million.

The conferees recommend an additional $10.0 million for environmental restoration. Of this increase, the conferees recommend an additional $5.0 million to accelerate closure of the Hanford 100 Area in Richland, Washington.

The conferees recommend an additional $35.3 million for waste management. Of the funds available for waste management, the conferees recommend an additional $12.0 million for the Savannah River site to increase production at the Defense Waste Processing Facility (DWPF) and $8.2 million to support high-level waste research and development work at the Idaho National Engineering and Environmental Laboratory. The conferees direct the Department to make available an additional $25.0 million to allow the consolidated incineration facility to operate at full capacity, as originally intended, to assure that the DWPF operates at its designed capacity, and that the site has sufficient funds to accelerate the disposal of transuranic waste.

The conferees urge the Department to assess the cost savings that may be available if it is able to develop a successful spent fuel or high level waste storage cask system using high density concrete. Of the waste management funds authorized in section 3102 of this title, no more than $3.0 million may be made available for this demonstration project.

The conferees recommend an increase of $58.0 million to nuclear material and facility stabilization to be allocated as follows: $47.0 million for nuclear material stabilization operations at the F- and H-canyon facilities and $11.0 million for the National Spent Fuel Program.

The conferees recommend $220.0 million for technology development, a $37.9 million reduction. This reduction reflects the Department's proposed reduction to the Technology Deployment Initiative and greater cost-sharing with technology user organizations within the Department. The conferees are supportive of the Office of Science and Technology's efforts to move technologies from the late stages of research and development into use. The conferees believe that Environmental Management line organizations should place a greater emphasis on innovative technical approaches when executing records of decision, meeting tri-party agreement milestones, or selecting clean up and waste management approaches. The Department has a poor record in deploying DOE-developed cleanup and waste management technologies. The conferees believe that senior management attention will be required if the Department is to benefit from those technologies that have already been developed by the Department, but have not been applied at DOE facilities.

The conferees recommend $55.0 million for the Environmental Management science program, an increase of $5.0 million.

The conferees recommend $20.0 million for the Office of Policy, a $3.1 million reduction.

The conferees recommend $345.8 million for program direction, a $42.5 million reduction.

The conferees recommend $875.0 million for the project closure account, an increase of $860.0 million. The increase to this account has been derived from the following sources: a transfer of $743.6 million from environmental restoration, a transfer of $45.2 million from the operations and maintenance account within the stockpile management program, and an additional $71.2 million. The conferees recommend allocating closure project account funds as follows: $648.4 million for the Rocky Flats Environmental Technology Site and $226.6 million for the Fernald Environmental Management Project. The conferees strongly support the efforts of the adjacent communities to close these two sites within the next ten years.

The transfer of $45.2 million from stockpile management represents the costs associated with the provision of security at the Rocky Flats Site and the Fernald Site. The conferees are aware that this transfer of funds will also require the Office of Environmental Management to accept custodial responsibility of weapons grade special nuclear material, which constitutes a change in current practice.

Other defense activities (sec. 3103)

The budget request included $1.606 billion for Other Defense Activities of the Department of Energy (DOE) for fiscal year 1998.

The House bill contained a provision (sec. 3103) that would authorize $1.5 billion for Other Defense Activities, a reduction of $93.4 million to the budget request.

The Senate amendment contained a provision (sec. 3103) that would authorize $1.6 billion for Other Defense Activities, an increase of $28.0 million to the budget request.

The conferees agree to a provision that would authorize $1.636 billion for Other Defense Activities.

Verification and control technology

The conferees agree to authorize $478.2 million for verification and control technology.

The conferees are concerned by recent reports that a substantial portion of the aid intended for Russian scientists under the Initiatives for Proliferation Prevention (IPP) program is being siphoned off by duties, regional taxes, overhead charges and other assessments by Russian entities. The conferees direct the Secretary of Energy to report to the Congress by March 31, 1998 on the impact of these charges on the program and to provide detailed recommendations on how these problems can be corrected.

To close gaps identified in DOE's nuclear smuggling program, the conferees agree to provide $16.0 million for nuclear smuggling activities, a $3.0 million increase, from funds available in verification and control technology, to enhance further and accelerate the Department's nuclear forensic analytical capability. The conferees have been supportive of efforts by the Department of Defense (DOD) and DOE to respond to any domestic terrorist use of weapons of mass destruction. From the funds authorized for verification and control technology, $2.0 million is available for training and related activities to prepare federal, state, and local first responders to work effectively as part of the domestic emergency response program. The conferees understand that nuclear training curriculum for local first responders has been prepared by the DOE defense programs, and that this program is coordinated with the DOD, the agency responsible for preparing the chemical and biological training and exercise programs. In order to maximize the number of participants in the exercises, and to take advantage of cost savings, the conferees recommend that DOE continue to coordinate the activities of its exercises with the executive agent and program manager for the DOD domestic emergency preparedness program in order to integrate mixed scenarios of chemical, biological and nuclear incidents in the exercises.

The Secretary of Energy was directed in the statement of managers accompanying the conference report for the National Defense Authorization Act for Fiscal Year 1997 (Public Law 102–201) to provide an annual evaluation to the Congress of the expected powers and expected limits that define the extent to which science and technology can aid the nonproliferation effort. The conferees direct the Secretary to submit the first annual report on February 1, 1998. The conferees continue to believe that advances in

science and technology will improve the ability to detect the presence, transportation, and use of weapons of mass destruction. The ability of such advanced technologies to be developed and used may, however, be impeded or otherwise affected by regional powers and interests. The evaluation to be conducted should include an analysis of regional and local situations, requirements, and power structures that can either aid or deter deployment of new technology for nonproliferation efforts.

International nuclear safety

The conferees agree to provide $47.0 million for nuclear energy, including $35.0 million for international nuclear safety activities.

The conferees were recently notified that the DOE fiscal year 1999 funding for these activities will not be included in DOE national security programs. The conferees appreciate the administration's intent to comply with congressional guidance and to seek funding for these activities from sources other than the defense accounts.

Naval reactors

The conferees recommend an increase of $44.5 million to the budget request for naval reactors to expedite decommissioning and decontamination activities at surplus training facilities.

The conferees consider the naval reactors program to be a critical defense activity. The conferees are concerned that the DOE has demonstrated a pattern of consistently underestimating funding requirements for this program in budget requests. The conferees strongly encourage the Department to request adequate funding for this program in future fiscal year budget requests to allow this program to accomplish the stated objectives in an efficient manner.

Declassification productivity initiative

The conferees continue to support the Declassification Productivity Initiative. The conferees are concerned that the Department of Energy lacks both the appropriate technical personnel and integrating components required to carry out successfully this program. Recognizing the complexities surrounding the development of a computer-aided system to improve the efficiency and security of the declassification process, the conferees are concerned that the limited funds provided to this program are being allocated among numerous laboratories, universities, and industry without clear technical direction or coordination by the Department. The conferees direct the Director of the Office of Declassification to begin to develop a management and integration strategy to coordinate and streamline the various initiatives carried out within the Declassification Productivity Initiative. In addition, the conferees strongly discourage any shifting of funds from the Declassification Productivity Initiative to other declassification activities.

Environment, safety and health

The conferees recommend $94.0 million for environment, safety and health (ES&H) activities, an increase of $40.0 million to the budget request. Of the amount authorized, the conferees recommend $20.0 million for ES&H program direction. The conferees believe that costs associated with implementing and conducting oversight of the ES&H program should be reflected in the same programmatic activity.

Independent cost assessment

The conferees recommend $15.0 million to be used by the Department of Energy to provide for external reviews of the Department's individual construction and privatization projects. The conferees direct the Secretary of Energy to provide the congressional defense committees with all reports generated in the process of conducting this assessment, and to consult with the committees regarding all aspects of this review, including contractor selection.

Subtitle B—Recurring General Provisions

Limits on general plant projects (sec. 3122)

The House bill contained a provision (sec. 3122) that would authorize the Secretary of Energy to carry out any construction project authorized under general plant projects if the total estimated cost would not exceed $2.0 million. The provision would require the Secretary to submit a report to Congress if the cost of the project is revised to exceed $2.0 million. The report would fully explain the reasons for the cost variation.

The Senate amendment contained a similar provision (sec. 3122) that would authorize a construction project as a general plant project if the current estimated cost for that project would exceed $5.0 million. If the Secretary of Energy determines that the estimated cost of any project will exceed $5.0 million, the congressional defense committees must be notified of the reasons for the cost variation.

The House recedes.

The conferees note that the report required by section 3122 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) to support increasing the threshold for general plant projects was submitted late. The conferees urge the Department to submit reports on or before the required due dates in the future.

Fund transfer authority (sec. 3124)

The House bill contained a provision (sec. 3124) that would permit funds authorized by the bill to be transferred to other agencies of the government for performance of work for which the funds were authorized and appropriated. The provision would permit the merger of such funds with the authorizations of the agency to which they are transferred. This provision would also limit, to no more than five percent, the amount of such funds that may be transferred between authorization accounts in the Department of Energy that were authorized pursuant to this act.

The Senate amendment contained a similar provision (sec. 3124).

The Senate recedes with a clarifying amendment.

Authority for conceptual and construction design (sec. 3125)

The House bill contained a provision (sec. 3125) that would limit the Secretary of Energy's authority to request construction funding until the Secretary certifies that a conceptual design has been completed, except in the case of emergencies. This limitation would apply to construction projects with a total estimated cost in excess of $2.0 million. If the estimated cost of the design exceeds $3.0 million, the provision would require the Secretary to request funds for the design before requesting funds for the construction project. The provision would also require the Secretary to submit to Congress a report on each conceptual design completed under this paragraph.

The Senate amendment contained a similar provision (sec. 3125) that would apply to construction projects with a total estimated cost in excess of $5.0 million.

The Senate recedes with an amendment that would limit the Secretary's authority to request construction funding for projects with an estimated cost in excess of $5.0 million until the Secretary has certified a conceptual design has been completed, except in emergencies.

Availability of funds (sec. 3128)

The Senate amendment contained a provision (sec. 3128) that would authorize amounts appropriated for operating expenses or for plant and capital equipment to remain available until expended.

The House bill contained no similar provision.

The House recedes with an amendment that would direct that funds authorized to be appropriated for program direction activities in fiscal year 1998 would be available to be expended until the end of fiscal year 2000.

Transfers of defense environmental management funds (sec. 3129)

The House bill contained a provision (sec. 3128) that would provide the manager of each field office of the Department of Energy (DOE) with the limited authority to transfer fiscal year 1998 defense environmental management funds from one program or project under the jurisdiction of the office to another such program or project, once in the fiscal year.

The Senate amendment contained a similar provision (sec. 3137) that would extend and make permanent the limited authority to transfer defense environmental management funds originally authorized in section 3139 of the National Defense Authorization Act for Fiscal Year 1997.

The Senate recedes with a clarifying amendment.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Memorandum of understanding for use of national laboratories for Ballistic Missile Defenses programs (sec. 3131)

The House bill contained a provision (sec. 3131) that would establish a program within the Department of Energy weapons laboratories for the purpose of assisting the Department of Defense in the testing and development of a ballistic missile defense program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary of Energy and the Secretary of Defense to enter into a memorandum of understanding as to how the Department of Energy national laboratories could be utilized more fully to support the ballistic missile defense program.

Defense environmental management privatization projects (sec. 3132)

The Senate amendment contained a provision (sec. 3131) that would establish criteria for the initiation of Department of Energy Defense Environmental Management Privatization contracts.

The provision would prohibit the Department from incurring any contractual obligations for a privatization contract until 30 days after the date on which the Department submits to the congressional defense committees a report on that privatization project that describes the Department's anticipated contractual commitments for such project, the cost of the proposed project versus the baseline cost, any assumptions underlying cost savings estimates, and a discussion of the Department's plans to maintain financial and programmatic accountability under such contracts.

The provision would direct the Department to report on the Secretary's ability to enter into privatization contracts in the absence of sufficient appropriations to meet obligations under such contracts.

The House bill contained a provision (sec. 3145) that would place similar restrictions on the tank waste remediation system project.

The House recedes with an amendment that would provide the Secretary discretionary authority to use a privatization contract to carry out a project for which funds are authorized pursuant to section 3102 of this Act. The provision would also require

the Department of Energy to provide a detailed justification and analysis of the comparative costs to the United States of constructing two nuclear waste vitrification plants under the tank waste remediation system project, should the Secretary of Energy choose to do so.

The conferees direct the Secretary of Energy to examine and report to the congressional defense committees on the Department's authority to create an escrow account to offset any reasonably foreseeable costs to the government that may arise if any privatization contracts are canceled or terminated for the convenience of the government. The report should also recommend any legislation needed to eliminate any potential conflicts arising from the anti-deficiency provisions found in section 3191 of title 31, United States Code.

International cooperative stockpile stewardship programs (sec. 3133)

The Senate amendment contained a provision (sec. 3132) that would prohibit the Department of Energy (DOE) from pursuing cooperative stockpile stewardship and management activities with certain nations.

The House bill contained no similar provision.

The House recedes.

The conferees remain concerned that initiation of an ongoing international cooperative stockpile stewardship and management program could have unintended detrimental effects on U.S. national security interests. This provision would extend for one year the prohibition established by section 3138 of the National Defense Authorization Act for Fiscal Year 1997. The intent of this provision is to prohibit establishment of a permanent program of international cooperative stockpile stewardship, with an exception for activities that might be undertaken with the United Kingdom and France. The provision would not apply to activities carried out by DOE under cooperative threat reduction programs with nations of the former Soviet Union, or to the Department of Energy materials protection, control, and accounting or the initiatives for proliferation prevention programs. The prohibition would apply to all other DOE activities, including but not limited to laboratory directed research and development funds.

The conferees do not intend this prohibition to prevent the President's ability to respond to developments which might threaten the national security of the United States. The conferees believe that the President has sufficient flexibility to address such specific incidents should they arise and the provision would not prohibit such action.

Modernization of enduring nuclear weapons complex (sec. 3134)

The House bill contained a provision (sec. 3101) that would provide an increase of $85.0 million for the Department of Energy's (DOE) stockpile management program to be used for weapons production plants infrastructure upgrades and the Stockpile Life Extension, Enhanced Surveillance, and Advanced Development Programs carried out at DOE production plants.

The Senate amendment contained a provision (sec. 3133) that would provide an additional $15.0 million to support modernization efforts being carried out at the Department of Energy's four nuclear weapons production plants (Pantex, Kansas City, Y–12, and Savannah River). The provision would require the Department to submit, not later than 30 days after enactment of this provision, a report describing the Department's plans to allocate the funds authorized by this section and the relevance of each allocation to implementing the decisions in the Final Programmatic Environmental Impact Statement for Stockpile Stewardship and Management. The funds authorized for this activity could not be obligated until 30 days after the congressional defense committees receive the Department's proposed allocation report as required by this provision.

The House recedes with an amendment that would increase funding for the stockpile management account to provide an additional $85.0 million for these activities.

The conferees direct that the funds be allocated as follows: $25.0 million for the Pantex Plant for basic infrastructure needs including roof repair, electric power service upgrades, steam and condensate piping upgrades, fire enunciation systems, and Enhanced Surveillance Program activities; $25.0 million for the Kansas City Plant for basic infrastructure needs including roof repair, installation of advanced manufacturing equipment, and Advanced Manufacturing Program activities; and $35.0 million for the Y–12 plant for basic infrastructure needs, W–87 work load requirements, Advanced Manufacturing Program activities, and Stockpile Life Extension Program activities. Of the amounts made available by this provision, not more than five percent shall be allocated collectively to management overhead, program direction, and technical budgetary, accounting, and other analytical support to the DOE. The remainder shall be expended by the four production plants exclusively for the programs described.

The conferees concur with the Department's goal to implement advanced manufacturing technology at DOE plants and laboratories to improve production efficiencies and maintain core competencies within the DOE nuclear weapons production complex. The conferees understand that such modernization upgrades will require coordination among the four production plants and the three design laboratories.

The conferees remain concerned with the Department's plans to maintain the capability and capacity to refurbish and, when necessary, remanufacture nuclear weapons components in the Nation's nuclear weapons stockpile. The committee is concerned that the Department may be overly relying on new, ''science-based'' stockpile stewardship and management approaches at the risk of losing manufacturing capabilities and expertise.

The conferees are deeply troubled that the Department has failed to meet fully the intent of section 3137 of the National Defense Authorization Act for Fiscal Year 1996 and section 3132 of the National Defense Authorization Act for Fiscal Year 1997 calling for modernization of the four nuclear weapons production plants.

The conferees believe that the Department did not fully meet the requirements or intent of these sections and related guidance provided in conference reports accompanying these Acts and the 1996 and 1997 Energy and Water Development Appropriations Acts. The conferees note that the General Accounting Office has identified certain Nuclear Weapons Stockpile Memorandum requirements that may not be met by the Department due to insufficient resources being allocated to the four traditional production plants. The conferees believe that the manufacturing facilities must be modernized as directed in the National Defense Authorization Act for Fiscal Year 1996 and the National Defense Authorization Act for Fiscal Year 1997, or these problems will continue.

Tritium production (sec. 3135)

The Senate amendment contained a provision (sec. 3134) that would make available $262.0 million for the Department of Energy (DOE) tritium production program. The provision would require DOE to select a tritium production technology not later than June 30, 1998. The provision would also prohibit the Department from obligating funds appropriated or otherwise made available pursuant to this Act for exploration of any tritium production technology option, other than those being examined under the Department's ''dual track'' approach, until July 30, 1998, or 30 days after such time that the Department selects a preferred technology option, whichever comes later. The provision would also require the Secretary of Energy to submit a report describing for each technology option any regulatory barriers, licensing difficulties, potential for production rate variability, scientific benefits, revenue generation and other ancillary benefits.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Department of Energy to select a tritium production technology not later than December 31, 1998.

The conferees continue to believe that the Department can move faster to select a preferred technology option and acquire a permanent new tritium production source capable of meeting the requirements of the Nuclear Weapons Stockpile Memorandum, which identifies a new tritium production date in the year 2005 in the case a reactor option is selected and 2007 if an accelerator option is selected. While the conferees recognize that future tritium requirements could change if the United States enters into treaties that reduce the numbers of strategic and tactical nuclear weapons, the production capacity that the United States will need to maintain at START I and START II levels will remain essentially constant.

Processing, treatment, and disposition of spent nuclear fuel rods and other legacy nuclear materials at the Savannah River Site (sec. 3136)

The Senate amendment contained a provision (sec. 3135) that would make available an additional $47.0 million above the budget request for the F-canyon and H-canyon facilities to accelerate the stabilization of legacy materials at the Savannah River Site. The provision would further require that the Secretary of Energy maintain a high state of readiness of the F-canyon and H-canyon facilities.

The House bill contained no similar provision.

The House recedes.

The conferees note that the House bill recommended $41.0 million for similar activities.

Limitations on use of funds for laboratory directed research and development purposes (sec. 3137)

The Senate amendment contained a provision (sec. 3136) that would modify section 3136 of the National Defense Authorization Act for Fiscal Year 1997 by requiring the annual report on uses of Laboratory Directed Research and Development (LDRD) funds be provided to the congressional defense committees not later than February 1 of each year. The provision would also prohibit the Department of Energy (DOE) from obligating more than 30 percent of the funds appropriated or otherwise made available to the DOE in fiscal year 1998 for LDRD programs until the Department submits the annual report for fiscal year 1997.

The provision would limit the use of funds appropriated or otherwise made available to the DOE under section 3101 of this Act to LDRD and technology transfer activities that support the weapons activities of the Department. The provision would similarly limit use of funds appropriated or otherwise made available to the DOE under section 3102 of this Act to those activities that support

the environmental restoration, waste management, or materials stabilization activities of the Department.

The provision would require the Department to include in the fiscal year 1998 annual report an assessment of the funding required to carry out an effective LDRD program, including any recommendations for the percentage of funds that should be provided to the National Laboratories for LDRD activities by the Federal Government.

The House bill contained no similar provision.

The House recedes.

The conferees recognize that programs such as LDRD are essential to maintaining the core competencies of the National Laboratories. The conferees will assess the Department's recommendations regarding the appropriate percentage of funds to be provided to this program in conjunction with any existing or future restrictions that might be considered for this program.

Pilot program relating to use of proceeds of disposal or utilization of certain Department of Energy assets (sec. 3138)

The Senate amendment contained a provision (sec. 3140) that would permit the Secretary of Energy to establish a pilot program to promote the sale of certain real and personal property surplus to the needs of the Federal government and allow the Department of Energy (DOE) to retain in the DOE defense Environmental Restoration and Waste Management accounts 50 percent of the net proceeds from such sales. The retained funds would be available for use, subject to appropriation acts, in the Environmental Restoration and Waste Management programs. The provision would authorize the Department to initiate six asset disposition pilots and would permit the Department to deduct costs associated with preparing the asset for sale prior to calculating the net proceeds from the sale.

The House bill contained no similar provision.

The House recedes with an amendment that would make clear that all net proceeds from sales under the pilot program would not be retained by the Department of Energy, but instead would be returned to the Treasury as miscellaneous receipts.

Modification and extension of authority relating to appointment of certain scientific, engineering, and technical personnel (sec. 3139)

The House bill contained a provision (sec. 3144) that would extend through fiscal year 1999 the authority of the Secretary of Energy to appoint certain scientific, engineering, and technical personnel to positions within the Department without regard to the provisions governing the appointments in the competitive service, and General Schedule classification schedules and pay rates contained in title 5, United States Code.

The Senate amendment contained a similar provision (sec. 3152) that would also repeal the requirement for the Administrator of the Environmental Protection Agency to submit a report to Congress on the effects of this hiring authority on the cleanup carried out at sites listed on the National Priorities List (also known as ''Superfund'' sites).

The House recedes.

Limitation on use of funds for subcritical nuclear weapons tests (sec. 3140)

The House bill contained a provision (sec. 3146) that would require the submission of a detailed report on the manner in which funds available to the Secretary of Energy for fiscal years 1996 and 1997 to conduct subcritical experiments were used. The provision would prohibit the Secretary from using any funds authorized in fiscal year 1998 to conduct subcritical experiments until 30 days after receipt of such report.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would allow the Secretary to conduct subcritical experiments prior to submittal of the report, if the Secretary determines that it is in the national security interests of the United States to do so. While the conferees strongly support these tests, they are concerned that over $100.0 million has apparently been spent with only two tests completed.

Limitation on use of certain funds until future use plans are submitted (sec. 3141)

The House bill contained a provision (sec. 3147) that would limit the ability of the Secretary of Energy to spend funds authorized for the Office of Policy and Management within the defense environmental management program until the draft future use plans and the final future use plans required under section 3153(f) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) are submitted.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would allow the Secretary to identify an alternative date for individual site plans if the Secretary finds that a site cannot meet the current due date of March 15, 1998 for submittal of its final future use plan.

Subtitle D—Other Matters

Plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile (sec. 3151)

The House bill contained a provision (sec. 3141) that would require the Secretary of Energy to report annually on the Department of Energy (DOE) plan for the Stockpile Stewardship and Management Program. The report would describe the status and condition of the U.S. nuclear weapons stockpile, based on the requirements set forth in the Nuclear Weapons Stockpile Memorandum. This report would be submitted in both a classified and unclassified form and would be provided in lieu of a number of other reporting requirements which have been superseded and would be repealed by this section.

The Senate amendment contained a similar provision (sec. 3153).

The Senate recedes with an amendment that would consolidate the repeal of obsolete reporting requirements in a separate section in Title XXXI of this Act.

Repeal of obsolete reporting requirements (sec. 3152)

The House bill contained a provision (sec. 3142) that would repeal a number of obsolete reporting requirements.

The Senate amendment contained a similar provision (sec. 3155).

The House recedes.

Study and funding relating to implementation of workforce restructuring plans (sec. 3153)

The House bill contained a provision (sec. 3143) that would modify and repeal selected provisions of section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484). The provision would eliminate the authority of the Department of Energy (DOE) to make assistance grants without approval by the Secretary of Commerce and the Secretary of Labor, as appropriate; reduce from 120 days, to 90 days the applicable notice periods provided to employees to be separated; allow DOE to fund the program from available unobligated balances; and require a study by an outside auditor to assess the costs and benefits provided by this program since its inception.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would change the date of the required report from January 1, 1998 to March 31, 1998; restore the direction in current law for a 120-day waiting period prior to implementation of a separation plan; modify the requirement for the Secretaries of Commerce and Labor to approve grants; and eliminate the use of uncosted balances to offset the fiscal year 1998 budget for worker transition activities.

The conferees note that the direction found in section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) to give contract employees at DOE sites a 120-day waiting period prior to separations of large numbers of employees is a target only. The conferees further note current law mandates only a 60-day waiting period prior to large separations. The conferees encourage the Secretary of Energy and the Secretary of Defense to identify and seek to make available to the auditing firm conducting the study any relevant documents in the possession of other federal agencies. In encouraging access to all relevant documents, the conferees do not anticipate any document that could interfere with or jeopardize any ongoing investigation of the DOE Office of Inspector General or other federal agencies would be made available.

Plan for external oversight of national laboratories (sec. 3154)

The House bill contained a provision (sec. 3148) that would require the Secretary of Energy to develop a plan for the external oversight of the national laboratories. The plan would provide for the establishment of an external oversight committee comprised of representatives of industry and academia for the purpose of making recommendations to the Secretary of Energy and to the congressional defense committees on the productivity of the laboratories and on the excellence, relevance, and appropriateness of the research conducted at the laboratories. The plan also would provide for the establishment of a competitive peer review process for funding basic research at the laboratories.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to prepare a report on existing and potential new external oversight practices at the national laboratories. The report would be due not later than July 1, 1999, and would include any recommendations from the Secretary and a plan to implement such recommendations.

University-based research collaboration program (sec. 3155)

The House bill contained a provision (sec. 3149) that would require the Secretary of Energy to establish a university-based research center to coordinate the collaboration among national laboratories, universities and industry in support of scientific and engineering advancement in key Department of Energy defense program areas.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to establish a university-based collaborative program to coordinate national laboratory, university, and industry cooperation in support of scientific and engineering advancement in key Department of Energy defense program areas.

Stockpile stewardship program (sec. 3156)

The House bill contained a provision (sec. 3150) that would provide that, as a matter of U.S. policy, the Department of Energy stockpile stewardship program shall be conducted in conformity with the Non-Proliferation

Treaty and the Comprehensive Test Ban Treaty, if and when that treaty enters into force. The provision would also state that it is the policy of the United States to conduct a stockpile stewardship and management program to ensure the safety, security, effectiveness, and reliability of the U.S. nuclear weapons stockpile, consistent with U.S. national security requirements.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Reports on advanced supercomputer sales to certain foreign nations (sec. 3157)

The House bill contained a provision (sec. 3151) that would require companies that participate in the Department of Energy Accelerated Strategic Computing Initiative (ACSI) program to report to the Secretary of Energy and the Secretary of Defense, on a quarterly basis, the sale of each computer that exceeds an operating speed of 2,000 million theoretical operations per seconds (MTOPs) in which a Tier III country is the purchaser. The provision would require the Secretary of Energy to provide an annual report to Congress on the sales of computers in excess of 2,000 MTOPs by companies participating in the ACSI program the preceding year.

The Senate amendment contained no similar provision.

The Senate recedes.

Transfers of real property at certain Department of Energy facilities (sec. 3158)

The House bill contained a provision (sec. 3152) that would direct the Secretary of Energy to issue guidelines for the sale or lease of real or personal property at Department of Energy (DOE) defense nuclear facilities. The provision would also provide the Secretary discretionary authority to grant indemnification for damage to real or personal property from certain activities by DOE on the land to be transferred.

The Senate contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary to issue regulations governing the sale or transfer of land at DOE defense nuclear facilities that is excess to DOE needs. The regulations should address when it is appropriate for the Department to transfer or lease real property below fair market value or at fair market value. The DOE should look for guidance from the regulations issued by the Department of Defense governing transfers at closing military bases.

Such leases and transfers would take place to enhance economic redevelopment and reuse activities in the local communities surrounding DOE defense facilities. As the DOE downsizes and closes facilities, many of the local communities in the vicinity of a DOE facility will need assistance to transition away from a local economy focused largely on DOE activities, to one based on private sector or other, non-DOE, federal activities.

The amendment would also provide discretionary authority to the Secretary to indemnify transferees of real property at DOE defense nuclear facilities. This provision would establish procedures that are similar to authorities provided to the Secretary of Defense at closing military bases by section 330 of the National Defense Authorization Act for Fiscal Year 1993. The conferees urge the Secretary to exercise the discretionary authority provided under this title only when it is deemed essential for the purposes of facilitating local reuse or redevelopment.

Requirement to delegate certain authorities to site manager of Hanford Reservation (sec. 3159)

The House bill contained a provision (sec. 3153) that would modify section 3173(b) of the National Defense Authorization Act for Fiscal Year 1997 by making delegation of authority to the manager of the Hanford Reservation in Richland, Washington, described in that section, mandatory rather than discretionary.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the mandatory transfer of authority to a period of one year.

Submittal of biennial waste management reports (sec. 3160)

The Senate amendment contained a provision (sec. 3154) that would amend section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 104–360) by changing the future date for the next biennial Baseline Environmental Management Report to 1999, rather than 1997.

The House bill contained no similar provision.

The House recedes.

Board on security functions of Department of Energy (sec. 3161)

The Senate amendment contained a provision (sec. 3156) that would establish a commission to review the sufficiency of Department of Energy (DOE) nuclear weapons and materials safeguards and security programs. This commission would review threat determinations and assumptions, relevant DOE orders, and other requirements governing safeguards and security of nuclear weapons, weapons components, nuclear materials, and sensitive nuclear weapons information at DOE facilities. The commission would report its findings and any recommendations to the Secretary of Energy and congressional defense committees not later than February 15, 1998.

The House bill contained no similar provision.

The House recedes with an amendment that would create a permanent Department of Energy Safeguards and Security Oversight Board to review and assess the DOE safeguards and security program. The Board would be comprised of the DOE Secretary, Assistant Secretary for Defense Programs, Assistant Secretary of Environment, Safety and Health, Director of Non-proliferation and National Security, Director of Field Management, and five additional members, who are not employees of the Department of Energy or its contractors, to be appointed as follows: three by the Secretary of Defense, one by the Director of Central Intelligence, and one by the Director of the Federal Bureau of Investigation.

Submittal of annual report on status of security functions at nuclear weapons facilities (sec. 3162)

The Senate amendment contained a provision (sec. 3156) that would establish a commission to review the sufficiency of Department of Energy nuclear weapons and materials safeguards and security programs. The provision would require the commission to report annually to the Congress on its activities and findings.

The House bill contained no similar provision.

The conferees agree to include a new provision that would direct the Secretary of Energy to submit to the congressional defense committees the annual report to the President on the Status of Safeguards and Security of Domestic Nuclear Weapons Facilities. For fiscal years 1998 through 2000, the Secretary would include with the annual report any comments from individual members of the Department of Energy Safeguards and Security Oversight Board.

Modification of authority on commission on maintaining United States nuclear weapons expertise (sec. 3163)

The Senate amendment contained a provision (sec. 3157) that would extend by one year the due date for the report to be prepared by the Commission on Maintaining United States Nuclear Weapons Expertise. The provision would amend section 3162 of the National Defense Authorization Act for Fiscal Year 1997, which established the Commission. The provision would permit the Senate Majority Leader to designate a chairman of the Commission, after consultation with the Speaker of the House of Representatives, upon appointment of the fifth member of the Commission. The provision would allow the Commission to begin its work when a chairman is appointed. The provision would also extend the due date for the Commission's report from March 15, 1998 to March 15, 1999.

The House bill contained no similar provision.

The House recedes with an amendment that would permit the Majority Leader of the Senate to appoint a chairman after January 1, 1998.

Land transfer, Bandelier National Monument (sec. 3164)

The Senate amendment contained a provision (sec. 3158) that would direct the Secretary of Energy to transfer ownership of approximately 4.5 acres of land at the Department of Energy's Los Alamos National Laboratory site in Los Alamos County, New Mexico, to the Department of the Interior.

The House bill contained no similar provision.

The House recedes.

The Department of the Interior constructed and manages sewage lagoons on this parcel of land. The transfer would allow the Department of the Interior to manage the lagoons in a more efficient manner.

Final settlement of Department of Energy community assistance obligations with respect to Los Alamos National Laboratory, New Mexico (sec. 3165)

The Senate amendment contained a provision (sec. 3160) that would require the Department of Energy (DOE) to identify and transfer to the County of Los Alamos and the Secretary of the Interior, in trust for the Pueblo San Ildefonso, those lands that are part of the Los Alamos National Laboratory that are surplus to the needs of the Federal government. The provision establishes time deadlines for DOE to identify and report to Congress on the recommended parcels of land to be transferred, to conduct title searches on the parcels, to complete environmental impact assessments, and to transfer title or administrative control of the land. The provision would prohibit the Department from making any further assistance payments under sections 91 and 94 of the Atomic Energy Community Act of 1955 to county or city governments in the vicinity of the Los Alamos National Laboratory.

The House bill contained no similar provision.

The House recedes with clarifying amendments.

Sense of Congress regarding the Y-12 Plant in Oak Ridge, Tennessee (sec. 3166)

The Senate amendment contained a provision (sec. 3161) that would designate the Department of Energy Y-12 plant in Oak Ridge, Tennessee as the National Prototype Center.

The House bill contained no similar provision.

The House recedes with an amendment that would express a sense of Congress that the Y-12 plant should serve as a national prototype center.

Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico (sec. 3167)

The Senate amendment contained a provision (sec. 3162) that would authorize the Department of Energy (DOE) to make a $5.0 million payment to a not-for-profit education foundation in the area around the Los Alamos National Laboratory to enrich educational activities of the local school system. DOE contributions to this foundation would be used to establish a fund, the corpus of which would remain in trust and the annual revenue used to support the local school system.

The House bill contained no similar provision.

The House recedes with an amendment that would require the DOE to report on how such payments would be terminated not later than September 2002 and how such payments will satisfy the Department's full obligation to provide education assistance to the local school system.

The conferees expect that the Secretary of Energy will make no more than five total annual payments to this fund for a total contribution of $25.0 million. The conferees further expect that upon completion of the final payment, all such DOE assistance to the local school system will have been provided.

Improvements to Greenville Road, Livermore, California (sec. 3168)

The Senate amendment contained a provision (sec. 3163) that would authorize the Department of Energy to pay $3.5 million and $3.8 million in fiscal years 1998 and 1999, respectively, for improvements to Greenville Road, a road which abuts the Lawrence Livermore National Laboratory in Livermore, California.

The House bill contained no similar provision.

The House recedes with an amendment that would decrease the payment authorized to be made in fiscal year 1999 from $3.8 million to $3.3 million, consistent with the Department's request.

The conferees agree with the Department's proposal to collect these funds from indirect charges at the two laboratories located at the Livermore Site, Lawrence Livermore National Laboratory and Sandia National Laboratory-Livermore. These payments will constitute the final contribution from the Department of Energy to this project.

Report on alternative system for availability of funds (sec. 3169)

The Senate amendment contained a provision (sec. 3128) that would authorize amounts appropriated for operating expenses or for plant and capital equipment to remain available until expended.

The House bill contained no similar provision.

The conferees agree to include a new provision that would direct the Secretary of Energy to submit to the congressional defense committees a report setting forth a proposal to bring the Department of Energy (DOE) more closely into line with other federal agencies. In preparing the report, the Secretary is instructed to look carefully at all of the DOE national security program funds and determine the length of time, by account, the funds should be available for obligation. The conferees expect the plan would be incorporated into the President's budget request for fiscal year 2000.

Report on remediation under the Formerly Utilized Sites Remedial Action Program (sec. 3170)

The Senate amendment contained a provision (sec. 3138) that would require the Secretary of Energy to prepare a report on the progress, costs, and liability issues associated with remediation activities carried out pursuant to the Formerly Utilized Sites Remedial Action Program. The report would be due not later than March 1, 1998.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Report on proposed contract for Hanford tank waste vitrification project

The House bill contained a provision (sec. 3145) that would require prior notice to the congressional defense committees before entering into a contract for the Hanford tank waste vitrification project. The provision would also require the submission of a detailed report describing the activities to be carried out under the contract, the contractual and financial aspects of the contract, and an analysis of the cost to the United States of the proposed contract over the life of the project.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree to include the substance of this provision in another section in Title XXXI of this Act dealing with defense environmental management privatization projects.

Defense environmental management privatization

The Senate amendment contained a provision (sec. 3104) that would authorize $274.0 million for the Defense Environmental Management Privatization program.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize funding for these projects in section 3102 of this Act.

Tritium production in commercial facilities

The Senate amendment contained a provision (sec. 3139) that would amend section 91 of the Atomic Energy Act (AEA) to authorize the Secretary of Energy to produce tritium for defense-related purposes in a commercial nuclear power reactor.

The House bill contained no similar provision.

The Senate recedes.

Tritium gas, an isotope of hydrogen, is an essential ingredient in all modern nuclear weapons. Tritium has a radioactive half life of 12.3 years, and decays at a rate of five percent per year. As a result, the tritium in weapons in the U.S. nuclear weapons stockpile must be replaced periodically. Based on current projections of the size of the U.S. nuclear weapons stockpile, recycling tritium from weapons eliminated from the stockpile cannot fulfill this requirement.

In December 1995, the Department of Energy announced its dual-track strategy for new tritium production. Utilizing the dual-track strategy since that time, the Department has been pursuing the two most promising tritium production technologies: (1) the purchase of an operating or partially complete commercial light-water reactor, or lease of a completed reactor, or the purchase of irradiation services from the owner or operator of such a reactor; and (2) the design, construction, and testing of critical components of a proton accelerator system for the production of tritium. The dual-track strategy will enable the Department to select a primary option for tritium production by December 1998, consistent with current Department of Defense and nuclear weapons stockpile requirements, policy, and life-cycle cost budgetary considerations. The option not selected would serve as a backup capability in the event of technical or other difficulties.

Over the last 19 months, DOE has gained increased confidence in the abilities of both options to produce an assured supply of tritium.

The accelerator program has made significant advances through the use of superconducting and other design concepts to reduce the cost and technical risks that have been identified in conjunction with the accelerator. The commercial light water reactor program has also made significant progress in designing and producing tritium target rods. In the fall of 1997, DOE will place these tritium target rods in a commercial reactor in an effort to demonstrate the safety and reliability of tritium production in a light water reactor.

Each track has additional uncertainties that must be addressed and answered to enable the Department to make its primary tritium production decision by December 1998.

The conferees agreed to withdraw the proposed amendment to the AEA in order to allow a full and robust debate on the policy and legal implications of producing tritium for nuclear weapons in a commercial nuclear facility. While questions exist as to whether or not current law prohibits production of tritium in a commercial facility, and because concerns have been raised regarding the effect that a decision to produce tritium in this manner would have on U.S. non-proliferation strategy, the conferees believe the policy, legal, and regulatory issues that have been raised must be addressed in a comprehensive manner prior to passage of any amendments to facilitate such a choice.

The commercial reactor track contains many sub-options for tritium production. As a practical matter, each of the different reactor sub-options has different legal and policy issues associated with it. The conferees believe that it would be helpful to the effort to secure necessary legislative changes if DOE could identify the preferred commercial reactor sub-option in advance of the final tritium production technology decision, preferably by March 1, 1998.

The conferees believe that it is essential for DOE to identify and assess any policy issues associated with the various reactor sub-options in conjunction with other federal agencies including the Nuclear Regulatory Commission, the Department of Defense, and the Department of State arms control offices. The conferees direct the Secretary of Energy to utilize a senior level, interagency process to review and assess the issues associated with the commercial reactor option. This assessment should be completed before DOE identifies a preferred reactor sub-option.

The conferees request the DOE propose to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives, by March 15, 1998, any legislation necessary to resolve the issues associated with either of the dual-track production technologies. This would allow the legislation to be in place in advance of the DOE's final decision in December 1998. The conferees expect the Secretary of Energy to include full funding to continue to evaluate each tritium production technology in the dual-track strategy. The conferees will continue to work closely with DOE to gain the knowledge necessary to address and resolve issues associated with the dual-track tritium production technologies in order to allow the Department to select the tritium production option that best meets U.S. policy, national security and budgetary requirements.

Administration of certain Department of Energy activities

The Senate amendment contained a provision (sec. 3151) that would amend sections 501 and 624 of the Department of Energy Organization Act and repeal section 17 of the Federal Energy Act. This provision would bring

the Department of Energy (DOE) under the full scope of the Federal Advisory Committee Act and would bring DOE under the full scope of the Administrative Procedure Act when issuing regulations dealing with public property, loans, grants, or contracts.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that this provision was enacted into law by ''The Department of Energy Standardization Act of 1997'' (Public Law 105-28).

Participation of the national security activities in Hispanic Outreach Initiative of the Department of Energy

The Senate amendment contained a provision (sec. 3159) that would direct the Secretary of Energy to ensure the adequate participation of the Department of Energy (DOE) national security activities in the National Hispanic Outreach Initiative.

The House bill contained no similar provision.

The Senate recedes.

The Secretary of Energy has established, for each DOE program element, participation goals to utilize Hispanic and other predominately or historically minority institutions, in carrying out DOE missions. The defense programs have not participated in a meaningful way in the Hispanic portions of the initiative.

The initiative was announced by the DOE with much fanfare and yet, particularly in northern New Mexico, there has been little indication that DOE is working to fulfill its promises to utilize more fully Hispanic institutions in carrying out defense program missions. The conferees encourage the Secretary of Energy to seek uniform participation in this initiative.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Overview

The budget request for fiscal year 1998 contained an authorization of $17.5 million for the Defense Nuclear Facilities Safety Board. The House bill would authorize $17.5 million. The Senate amendment would authorize $17.5 million. The conferees recommended an authorization of $17.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

LEGISLATIVE PROVISIONS ADOPTED

Report on external regulation of defense nuclear facilities (sec. 3202)

The House bill contained a provision (sec. 3202) that would require the Defense Nuclear Facilities Safety Board (DNFSB) to develop a plan, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission (NRC), for the transfer of DNSFB's functions to the NRC.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Board to submit a report recommending which facilities should be retained under the jurisdiction of the Board and which facilities should be transferred to an external regulatory agency; require the Board to assess regulatory requirements and jurisdictional issues surrounding the defense environmental management privatization initiative and the proposed commercial light water reactor option for tritium production; remove the repeal of section 210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (42 U.S.C. 7272); and require the Board to submit an interim report within 6 months of the date of enactment of this section and a final report within 12 months.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS ADOPTED

Definitions (sec. 3301)

The Senate amendment contained a provision (sec. 3301) defining the National Defense Stockpile and National Defense Stockpile Transaction Fund as those which are established under the Strategic and Critical Materials Stock Piling Act.

The House bill contained no similar provision.

The House recedes.

Authorized uses of stockpile funds (sec. 3302)

The House bill contained a provision (sec. 3301) that would authorize $73.0 million from the National Defense Stockpile Transaction Fund for the operation and maintenance of the National Defense Stockpile for fiscal year 1998. This provision would also permit the use of additional funds for extraordinary or emergency conditions after a notification to Congress.

The Senate amendment contained a provision (sec. 3302) that would authorize the Stockpile Manager to obligate $60.0 million from the National Defense Stockpile Transfer Fund during fiscal year 1998 for the authorized uses of funds under section 9(b)(2) of the Strategic and Critical Materials Stockpiling Act.

The Senate recedes.

Disposal of beryllium copper master alloy in National Defense Stockpile (sec. 3303)

The House bill contained a provision (sec. 3302) that would authorize the Department of Defense to dispose of all beryllium copper master alloy from the National Defense Stockpile, contingent upon certification by the National Defense Stockpile Manager that any disposal of this material will not adversely affect the strategic and critical material needs of the United States.

The Senate amendment contained no similar provision.

The Senate recedes.

Disposal of titanium sponge in the National Defense Stockpile (sec. 3304)

The House bill contained a provision (sec. 3303) that would authorize the Department of Defense to dispose of 34,800 short tons of titanium sponge in the National Defense Stockpile.

The Senate amendment contained a provision (sec. 3303) that would authorize the disposal of several materials from the National Defense Stockpile including titanium sponge.

The Senate recedes.

Disposal of cobalt in National Defense Stockpile (sec. 3305)

The Senate amendment contained a provision (sec. 3303) that would authorize the Department of Defense to dispose of 20 materials from the National Defense Stockpile and would establish specific revenue targets that the Secretary of Defense must meet in the disposal of these materials.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the disposal of up to 14,058,014 pounds of cobalt, beginning in fiscal year 2003, and would require specific revenue targets for this disposal each year until fiscal year 2007 in order to offset direct spending provisions elsewhere in this Act.

Required procedures for disposal of strategic and critical materials (sec. 3306)

The House bill contained a provision (sec. 3306) that would amend section 6(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(b)) to clarify the procedures used by the Department of Defense for the sale of materials from the National Defense Stockpile.

The Senate amendment contained no similar provision.

The Senate recedes.

Return of surplus platinum from the Department of the Treasury (sec. 3307)

The House bill contained a provision (sec. 3304) that would establish conditions for the transfer of platinum contained in the National Defense Stockpile to the United States Treasury for minting of platinum coins.

The Senate amendment contained a provision (sec. 3304) that would require any platinum contained within the National Defense Stockpile and loaned by the Department of Defense to the Department of Treasury to be made available to the Department of Defense upon request of the Secretary of Defense.

The House recedes with an amendment that would preclude the expenditure of any funds available to the Department of Defense for the transfer of any platinum to the Treasury.

LEGISLATIVE PROVISIONS NOT ADOPTED

Restrictions on disposal of certain manganese ferro

The House bill contained a provision (sec. 3305) that would repeal section 3304 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106), which placed restrictions on the disposal of Manganese Ferro from the National Defense Stockpile.

The Senate amendment contained no similar provision.

The House recedes.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

LEGISLATIVE PROVISIONS ADOPTED

Price requirement on sale of certain petroleum during fiscal year 1998 (sec. 3402)

The House bill contained a provision (sec. 3402) that would require the Secretary of Energy to sell petroleum produced for the Naval Petroleum Reserves at not less than 90 percent of established prices.

The Senate amendment contained no similar provision.

The Senate recedes.

Repeal of requirement to assign Navy officers to Office of Naval Petroleum and Oil Shale Reserves (sec. 3403)

The House bill contained a provision (sec. 3403) that would repeal section 2 of Public Law 96-137, which requires the Secretary of the Navy to assign naval officers to the office of Naval Petroleum and Oil Shale Reserves.

The Senate amendment contained a similar provision (sec. 3403).

The House recedes.

Transfer of jurisdiction, Naval Oil Shale Reserves numbered 1 and 3 (sec. 3404)

The House bill contained a provision (sec. 3404) that would transfer the jurisdiction of the Naval Oil Shale Reserves Numbered one and three to the Department of the Interior and for lease pursuant to the provisions of the Mineral Leasing Act, which would provide for the sharing of the revenues between the State of Colorado and the Federal Treasury.

The Senate amendment contained a similar provision (sec. 3402) that would authorize the lease of these reserves through the Department of Energy, which would allow 100 percent of the proceeds to be returned to the Federal Treasury.

The Senate recedes with an amendment that would require that the Federal Treasury be reimbursed for all costs incurred by the Federal Government related to these reserves, including costs associated with capital improvements and environmental cleanup, prior to the sharing of any revenues with the State of Colorado.

TITLE XXXV—PANAMA CANAL COMMISSION

Panama Canal Commission (secs. 3501–3550)

The House bill contained provisions (secs. 3501–3504) that would authorize the expenditure of funds by the Panama Canal Commission to cover its operating, maintenance, administrative, and capital improvement expenses, and to purchase vehicles built in the United States. The House bill also contained provisions (secs. 3511–3550) that would give the Commission certain authorities to facilitate the transition of the Canal to Panamanian control in December 1999.

The Senate amendment contained identical provisions (secs. 3501, 3502, 3504–3512, 3523, 3524, 3526, and 3528–3550) and similar provisions (3503, 3521, 3522, 3525, and 3527).

The conferees agree to include a series of provisions that would authorize the operations of the Panama Canal Commission. The provision in the House bill relating to the purchase of vehicles (sec. 3503) required that the vehicles purchased be built in the United States, while the provision in the Senate amendment (sec. 3503) had no such requirement. The provisions in the House bill and Senate amendment relating to the administrator of the Panama Canal Authority (sec. 3521 in both), post-transfer personnel authorities (sec. 3522 in both), recruitment and retention authorities (sec. 3525 in both) and labor-management relations (sec. 3527 in both) differed only technically.

The House recedes with respect to the provision relating to the purchase of vehicles (sec. 3503). The conferees note, however, that the Commission has in the past purchased only vehicles built in the United States and encourage the continuation of that practice.

The House recedes with respect to the provision relating to the administrator of the Panama Canal Authority (sec. 3521), and recedes with technical amendments with respect to the provisions relating to post-transfer personnel authorities (sec. 3522) and labor-management relations (sec. 3527). The Senate recedes with a technical amendment with respect to the provision relating to to enhanced recruitment and retention authorities (sec. 3525).

TITLE XXXVI—MARITIME ADMINISTRATION

Title XXXVI of the House bill contained a number of provisions that would provide authorization for the Maritime Administration and related matters. The conferees resolved these matters through extensive consultations between the House and Senate conferees and the Senate Committee on Commerce, Science, and Transportation, which would normally exercise jurisdiction within the Senate on these matters.

LEGISLATIVE PROVISIONS ADOPTED

Authorization of appropriations for fiscal year 1998 (sec. 3601)

The House bill contained a provision (sec. 3601) that would authorize $109.0 million for fiscal year 1998, as requested in the President's budget, for the United States Maritime Administration.

The Senate amendment contained no similar provision.

The Senate recedes.

Repeal of obsolete annual report requirement concerning relative cost of shipbuilding in the various coastal districts of the United States (sec. 3602)

The House bill contained a provision (sec. 3602) that would repeal the obsolete requirement for an annual report on the relative cost of shipbuilding in the various coastal districts contained in section 213 of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1123).

The Senate amendment contained no similar provision.

The Senate recedes.

Provisions relating to maritime security fleet program (sec. 3603)

The House bill contained a provision (sec. 3603) that would amend section 656(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1187e(b)) to make clear that it does not restrict the operation or entry of U.S. flag self-propelled tankers in the domestic trades. This provision would also amend section 652(c) of the Merchant Marine Act, 1936, to eliminate the 3-year delay in eligibility to carry certain preference cargoes of vessels that are reflagged as U.S. flag vessels in order to participate in the Maritime Security Fleet Program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend section 652(c) of the Act to exempt a vessel from the restrictions concerning the building, rebuilding, or documentation of a vessel in a foreign country referred to in section 901(b) of the Act, 1936 (46 U.S.C. App. 1187a(c)) for any day the operator of the vessel is receiving payments under an operating agreement under the subtitle.

Authority to utilize replacement vessels and capacity (sec. 3604)

The House bill contained a provision (sec. 3604) that would amend section 653(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1187b(d)(1)), to authorize a U.S. flag operator to utilize a foreign flag replacement vessel for a U.S. flag vessel that is activated by the Secretary of Defense under the terms of an Emergency Preparedness Agreement or other primary sealift readiness program approved by the Secretary of Defense.

The Senate amendment contained no similar provision.

The Senate recedes.

Authority to convey National Defense Reserve Fleet vessel (sec. 3605)

The House bill contained a provision (sec. 3605) that would authorize the Secretary of Transportation to convey a surplus National Defense Reserve Fleet vessel to the Artship Foundation, a non-profit organization located in Oakland, California.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would add two required conditions to the terms of conveyance.

Determination of gross tonnage for purposes of tank vessel double hull requirements (sec. 3606)

The House bill contained a provision (sec. 3606) that would stop an industry practice of reducing the gross tonnage of single-hull tank vessels in order to delay the phase-out date of the vessels under the Oil Pollution Act of 1990.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify the circumstances under which the House provision would apply.

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

FLOYD SPENCE,
BOB STUMP,
DUNCAN HUNTER,
JOHN R. KASICH,
HERBERT H. BATEMAN,
JAMES V. HANSEN,
CURT WELDON,
JOEL HEFLEY,
JIM SAXTON,
STEVE BUYER,
TILLIE K. FOWLER,
JOHN M. MCHUGH,
JAMES M. TALENT,
TERRY EVERETT,
(except for sections 355, 356, and 358–367),
ROSCOE G. BARTLETT,
HOWARD ''BUCK'' MCKEON,
RON LEWIS,
J.C. WATTS, Jr.,
SAXBY CHAMBLISS,
BOB RILEY,
IKE SKELTON,
NORMAN SISISKY,
JOHN M. SPRATT, Jr.,
(except for the increase over the President's request for research and development of a space-based laser and the statement of managers on this program),
SOLOMON P. ORTIZ,
OWEN PICKETT,
GENE TAYLOR,
NEIL ABERCROMBIE,
MARTIN T. MEEHAN,
JANE HARMAN,
PAUL MCHALE,
PATRICK J. KENNEDY,
ROD BLAGOJEVICH,
VIC SNYDER,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

PORTER J. GOSS,
JERRY LEWIS,
NORM DICKS,

As additional conferees from the Committee on Commerce for consideration of sections 344, 601, 654, 735, 1021, 3143, 3144, 3201, 3202, 3402, and 3404 of the House bill, and sections 338, 601, 663, 706, 1064, 2823, 3136, 3140, 3151, 3160, 3201, and 3402 of the Senate amendment, and modifications committed to conference:

TOM BLILEY,
DAN SCHAEFER,

Provided that Mr. Oxley is appointed in lieu of Mr. Dan Schaefer of Colorado for consideration of sections 344 and 1021 of the House bill and section 2823 of the Senate amendment:

MICHAEL G. OXLEY,

Provided that Mr. Bilirakis is appointed in lieu of Mr. Dan Schaefer of Colorado for consideration of sections 601, 654, and 735 of the House bill, and sections 338, 601, 663, and 706 of the Senate amendment:

MIKE BILIRAKIS,

Provided that Mr. Tauzin is appointed in lieu of Mr. Dan Schaefer of Colorado for consideration of section 1064 of the Senate amendment.

BILLY TAUZIN,

As additional conferees from the Committee on Education and the Workforce, for consideration of sections 374, 658, and 3143 of the House bill, and sections 664 of the Senate amendment, and modifications committed to conference:

BILL GOODLING,
HARRIS W. FAWELL,
LORETTA SANCHEZ,

Provided that Mr. Riggs is appointed in lieu of Mr. Fawell for consideration of section 658 of the House bill and section 664 of the Senate amendment:

FRANK RIGGS,

As additional conferees from the Committee on Government Reform and Oversight, for consideration of sections 322 and 3527 of the House bill, and sections 1068, 1107, 2811, and 3527 of the Senate amendment, and modifications committed to conference:

DAN BURTON,

STEPHEN HORN,

As additional conferees from the Committee on House Oversight, for consideration of section 543 of the Senate amendment, and modifications committed to conference:

WILLIAM M. THOMAS,
BOB NEY,

As additional conferees from the Committee on the Judiciary, for consideration of sections 374, 1057, 3521, 3522, and 3541 of the House bill, and sections 831, 1073, 1075, 1106, and 1201–1216 of the Senate amendment, and modifications committed to conference:

HENRY J. HYDE,
LAMAR SMITH,

As additional conferees from the Committee on Resources for consideration of sections 214, 601, 653, 1021, 2835, 2901–2914 and 3404 of the House bill, and sections 234, 381–392, 601, 706, 2819, and 3158 of the Senate amendment, and modifications committed to conference:

DON YOUNG,
BILLY TAUZIN,

Provided that Mr. Delahunt is appointed in lieu of Mr. Miller of California for consideration of sections 2901–2914 of the House bill, and sections 381-392 of the Senate amendment.

WILLIAM DELAHUNT,

As additional conferees from the Committee on Science for consideration of sections 214 and 3148 of the House bill, and sections 234 and 1064 of the Senate amendment, and modifications committed to conference:

F. JAMES SENSENBRENNER, Jr.,
KEN CALVERT,
GEORGE E. BROWN, Jr.,

Provided that Mr. Rohrabacher is appointed in lieu of Mr. Calvert for consideration of section 1064 of the Senate amendment.

DANA ROHRABACHER,

As additional conferees from the Committee on Transportation and Infrastructure for consideration of sections 345, 563, 601, 1021, 2861, and 3606 of the House bill, and section 601 of the Senate amendment, and modifications committed to conference:

BUD SHUSTER,
WAYNE T. GILCHREST,
ROBERT A. BORSKI,

As additional conferees from the Committee on Veterans' Affairs for consideration of sections 751, 752, and 759 of the House bill, and sections 220, 542, 751, 752, 758, 1069, 1074, and 1076 of the Senate amendment, and modifications committed to conference:

CHRISTOPHER H. SMITH,
MICHAEL BILIRAKIS,
JOSEPH P. KENNEDY,
Managers on the Part of the House.

STROM THURMOND,
JOHN WARNER,
JOHN MCCAIN,
DAN COATS,
BOB SMITH,
DIRK KEMPTHORNE,
JIM INHOFE,
RICK SANTORUM,
OLYMPIA SNOWE,
PAT ROBERTS,
CARL LEVIN,
TED KENNEDY,
JEFF BINGAMAN,
JOHN GLENN,
ROBERT C. BYRD,
CHUCK ROBB,
JOE LIEBERMAN,
MAX CLELAND,
Managers on the Part of the Senate.

PRIVILEGES OF THE HOUSE—DISMISSING CONTEST IN 46TH DISTRICT OF CALIFORNIA UPON THE EXPIRATION OF OCTOBER 29, 1997

Mr. GEPHARDT. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 276), pursuant to rule IX, and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 276

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th district of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and has not met since that time; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas some Members of the House Oversight Committee are now seeking a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th district of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th district and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of October 29, 1997.

□ 1600

The SPEAKER pro tempore (Mr. LAHOOD). The resolution constitutes a question of the privileges of the House, and must be considered at this time.

Pursuant to rule IX, the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from California [Mr. THOMAS] will each control 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution which is brought on the privileges of the House is designed to try to bring to a conclusion now the question of whether or not LORETTA SANCHEZ was elected in the 46th District of California.

Mr. Speaker, this contest has been going on now for all of this year and almost 11 months into the proceedings there has not been evidence or proof presented by the committee or the task force which would indicate that Ms. SANCHEZ was not elected by a majority of the people voting in the 46th District in November 1996.

Mr. Speaker, in the last few days, at my request, the Speaker and the chairman of the Committee on House Oversight has submitted a memorandum of understanding that would bring us to a point where we would attempt to bring this case to a close before we finish this year's session of Congress. I must report to the Members that in my view this memorandum of understanding is not acceptable and not appropriate.

Mr. Speaker, it suggests that we turn a whole set of records that have come from the Immigration Service to try to determine if a whole great number of residents of the 46th District, and people outside the 46th District, were registered citizens and legal citizens of the United States and whether they voted in this race, and turn it over to the Secretary of State of California to make a determination as to whether or not everybody who voted was a citizen.

First, let me say that it is totally unacceptable to turn this decision about whether or not this election was valid, and whether LORETTA SANCHEZ was elected, over to the Secretary of State of California. I understand what the Committee on House Oversight may be trying to say. They would like to turn this over to a third party. Unfortunately, the Constitution gives the responsibility and the obligation to the House of Representatives, and only the House of Representatives, to decide and

to judge the election of its Members, not to the Secretary of State of California or any other State or any other group or any other body. In fact, the Secretary of State of California has certified Ms. SANCHEZ's election to this body many, many months ago.

Second, I want to reiterate that after almost 11 months of inquiry, the committee has not presented to the House of Representatives, or to the public, facts, proof, evidence which would show that Ms. SANCHEZ was not validly elected in the 46th District of California. The burden of proof is on the contestant. The contestant is the former Member, Bob Dornan.

Mr. Speaker, Bob Dornan made certain representations to the committee. The committee has had these 10 months to look at those representations and to date, no facts, no proof, no evidence has been presented that indicates that Ms. SANCHEZ was not elected or any proof that would indicate that we should look beyond the certification of the State of California that Ms. SANCHEZ was elected.

Third, the procedure that the House Committee on House Oversight majority is suggesting is an unreasonable procedure. If we go forward and agree to a procedure that looks at the citizenship of everyone who votes in any election in the United States, I must tell my colleagues the work of the Congress on any other subject will have to end because we will have to spend all of our time searching through the citizenship papers of everybody who has voted in any certainly close election, maybe in every election, to make sure that everybody who voted was a citizen.

Now, this is maybe a thing we would want to do. I do not think this is the way we want to spend our time. The records of the Immigration Service, and they have said this to the committee, will not indicate on their face whether or not people were actually citizens on the date that they voted. It is not the job of the Immigration Service to produce such information. They do not always have it in each case. That is not their duty. It is not their responsibility.

So if we send to the Secretary of State all of the papers that have been amassed on the however many people that are suspected by somebody of not being citizens on the date the vote was taken, neither the Secretary of State, nor anyone else, can find out from looking at the paper whether or not everybody who voted was a citizen or who they voted for. So, Mr. Speaker, we would be sending off materials to the Secretary of State that could lead to no further conclusion than the committee has been able to reach. Why in God's green Earth would we want to do that?

Mr. Speaker, I am told that the only way we could finally make that determination would be to actually physically go door to door to everybody who is suspected of not being a citizen on the day they voted and making them prove their citizenship. Again, if this is the precedent we are going to follow in any close or contested election in the future, these issues can be raised and we will then have to either go personally or hire people to go and make this kind of a determination over months and months and months of work. And even after all of that is done, we are not sure we are going to know the facts on the citizenship of everybody that voted in a particular race in any particular congressional election.

Finally, Mr. Speaker, let me say that what is going on here is totally unique, unprecedented. It has never been done before in any election contest case. If we send these records off as has been suggested, which I think is totally inappropriate, against the Constitution of the United States, this thing could be going on in May, June, July of next year. It could be going on after the election in 1998.

Now, I appreciate the concern of the majority that we should be concerned that every Member of this House should have validly won their election to come here and represent approximately a half a million people in every district in the country. The most important thing we have to do is to make sure that every one of us got validly elected and that there was not fraud or there was not abuse or there were not inappropriate procedures that went on in an election. That is our responsibility and that is our job and we take it seriously. I know the majority takes it seriously.

But, Mr. Speaker, after 11 months and numerous hearings and thousands of records and numerous meetings and communications all over the country and the world, if we cannot now finally decide whether or not LORETTA SANCHEZ was elected in the 46th District, I do not believe sending off the records to somebody else and letting them start off on this wild goose chase is going to make it any different or any better.

Mr. Speaker, the time has come to let this go. The time has come to do the right thing. The time has come to decide that the facts are not there that anything went wrong in this election. The time has come to say to the people of the 46th District of California, ''You ran a valid election. LORETTA SANCHEZ was elected in this district.'' It is time to let this go and stop this unreasonable procedure.

Sending these records to the Secretary of State of California will accomplish no end of any kind whatsoever. Let us make sure that we can say to the people of this country that we have discharged our responsibility, we have looked at the facts, the facts are not there.

Mr. Speaker, I urge my colleagues to vote for this resolution. Let Ms. SANCHEZ serve her constituents as she came here to do and let her do it beginning tonight. Vote for this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, first of all, let me thank the majority leader for bringing the resolution to the floor. We frankly have had some difficulty in getting a number of people to understand exactly what is going on. It is difficult when we try to follow the rules and the procedures properly; we cannot go out and demagog what we are trying to do. So this is an opportunity for us to once again review the facts, and I appreciate the minority leader providing us with the opportunity.

Mr. Speaker, the minority leader suggested the possible alternative of going door to door. He knows and I know and all of us know that going door to door is wrong. It is just as wrong as offering a resolution which will shut down the process before it is completed.

We owe it to those people who know they cast legal votes in this contested election to make sure that all the people who cast illegal votes are determined. Would we have liked to have done it in the first week of the contested election? Of course. Would we like to do it in the time frame that he is indicating? Of course. In fact, we offered an agreement that would have facilities doing just that.

Mr. Speaker, the gentleman from Missouri also knows that we are not turning over the determination of who legally voted in California's 46th to the Secretary of State. He knows that, but that is a useful rhetorical argument.

What we thought might help us advance the finding of the facts was to use those people who are involved in this process every day. In fact, that is what their job is. The Secretary of State is the chief election officer of California.

Interesting enough, in the first ''whereas'' they cite the Secretary of State having issued a certificate. My assumption is they believe he does a pretty good job of carrying out his role as the chief election officer. We thought we could use him as an assist in making decisions; that is, there already has been a discussion as to who can vote when one becomes a citizen.

We believe that the decision should be made under California law, not under some agreement agreed to by a partisan majority or even a unanimous task force, to take from California its legal laws under their election code and substitute an artificial one, which has been done in the past.

Mr. Speaker, the gentleman from Missouri says this is unprecedented. The gentleman is right. What we are trying to do here is reverse past history, and that is do not make a political decision on how we count the votes, but rely on the people who are legally charged in the State to do it.

The gentleman from Missouri says we are going to have the Secretary of State determine the citizenship. He knows that is not true. The document we gave him showed that the INS

would be involved. In fact, the INS has already been involved in the Western region because the Western region took the names that the Orange County district attorney had subpoenaed and the Los Angeles region of the INS examined them and, working with the Secretary of State, determined that approximately 300 people were not citizens but were on the voting roll. That was done with a sample.

Mr. Speaker, what we are suggesting is perhaps they should look at a large sample. That does not mean that we have to agree to what they say, but it would certainly be nice to use people who were professionals and who do that job every day as a resource so that this committee could use that information as it sees fit under the Constitution.

Mr. Speaker, anyone who knows me or who knows the gentleman from Michigan [Mr. EHLERS] or the gentleman from Ohio [Mr. NEY] knows we would not turn any final decision over to someone else. That decision is ours and we guard it jealously. But what is wrong, for heaven's sake, in using people who are professionals in what they do to help us make a determination?

Let us look at the resolution that is in front of us. The first ''whereas'' indicates that the Secretary of State is someone who issued the certificate. I already indicated that if he is held in high esteem by virtue of what he did before there was any hint of fraud or illegal voting in this particular race, what would be wrong with using him to help us come to a conclusion?

□ 1615

It is interesting also that in the third whereas they talk about the fact that the task force met early and it has not met recently. As a matter of fact, the task force, I understand from the chairman, is going to meet on Friday.

Let us review briefly why the task force has not met. There were people, including the Congresswoman, who refused to comply with the Federal Contested Election Act in terms of the subpoenas that were issued under that act. She believed they were unconstitutional and wanted to fight it all the way to the Supreme Court.

I supported her right to fight it all the way to the Supreme Court, if she thought it was wrong. But I doubt if you folks would, based upon this resolution, wait until she fought that all the way to the Supreme Court. We did have the judge who issued the subpoenas indicate that he certainly thought that the law was valid and subpoenas could be issued. So the committee issued interrogatories. It was the committee that had to move in and begin to act under the committee power.

The gentlewoman from Orange County has, in fact, responded to the interrogatory. There are people who have not responded to the interrogatory. We have communications from Nativo Lopez, who said he will not respond to the interrogatory. In all probability we will have to subpoena him to get the information. You folks do not know and apparently you do not want to know what he is going to be forced to say.

The Orange County district attorney currently has a criminal investigation of conspiracy against Hermandad and Nativo Lopez is the head of that organization. You do not care what happens there. You want to end it. I think those people who cast their votes legally and who would like to know if their votes were canceled out by illegal votes would not want to.

The whereases go on to indicate in the sixth whereas that the INS has complied with the committee's request. As a matter of fact, if you really knew what was going on, you would know that the INS has not complied. They still have names. They turned in 200 just this week additional. They have hundreds more to turn in. They have not given us the complete list. Remember, they only began giving us the lists when the committee subpoenaed the Immigration and naturalization Service to begin providing us with those documents. That was not 9 months ago. We only have begun the process and we have not completed it.

When you take a look at the whereas No. 7, indicating that we already have all the records because we placed a subpoena on the evidence that the district attorney gathered, remember, our subpoena was on top of the district attorney's subpoena to protect that material so that we would not lose it. We did not issue the initial subpoena.

The district attorney did. it was a limited subpoena. kit was only for the materials that were in the offices of Hermandad. it is not all of the records. That whereas is simply factually inaccurate. There could very well be more records out there. We need to find out what Nativo Lopez knew and when he knew it. He refuses to respond to the committee. We will continue to make sure that he does not defy the committee.

We would love to have the minority join us in supporting the Constitution and the laws in requiring people who we have decided need to provide information to us, that if they refuse to do it, we compel them to do it. There I would love to have you join us in supporting the Constitution and the laws.

It seems to me that when you say that, in whereas No. 8, we are seeking duplicative and dilatory review of material already in the committee's possession, that you mean we want to really make sure that we achieve the highest level of verification where someone's vote is concerned. hey, I do not think that is bad. I think double-checking is good. I think being accurate is proper.

I have a hard time understanding why that is bad. if we are dealing in such an area of sensitivity that you have indicated your concern, what is wrong with checking the list twice or three times or using those officials who do it every day to help us in coming to a decision? I think that is good. I do not think it is bad. you seem to think that it drives to a conclusion that we should end all of this.

What amazes me is that you now indicate in whereas No. 9 that we have got all the evidence that there needs to be gathered. Fairly ironic that you could come to that conclusion, since not one staff member of the minority has been willing to sign a confidentiality statement to share, to look at the materials that we have. None of them have been willing to sign. They will not enter into a confidentiality agreement not to leak the material. So how in the world do they know what we have been doing? They refuse to sign a confidentiality statement to join with us without leaking. At least I admire their honesty in not signing the statement.

It just seems to me that if you come to the conclusion that we ought to end this on October 29 based upon those whereases, you are saying you want to dismiss us, even if the INS has not provided all the records, even if material people who may be indicted for criminal conspiracy have not provided information to the committee, that you want to end it even if we do not know how many people voted illegally. It is not ''if,'' do not think it is ''if.'' It is how many. And to do ti right and to do ti properly takes time.

I appreciate the gentleman offering the resolution. I think it is fairly clear that based upon the facts of the case as we have moved forward that this resolution is not timely. The call for dismissal on October 29 is premature, and I look forward to joining with you, notwithstanding the fact that you reject use of experts to assist us in determining what actually happened, in signing confidentially statements so we can work together to get to the bottom of it.

Mr. GEPHARDT. Mr. Speaker, I yield 4 minutes to the gentlewoman from California [Ms. SANCHEZ].

Ms. SANCHEZ. Mr. Speaker, my thanks to the Democratic leader for giving me this opportunity to appear before the full House to set aside any doubts about my full cooperation in this election contest.

A few uninformed individuals have made accusations of stonewalling. In my case, the sooner this ordeal is ended, the better. That is why I took the affirmative action back in February to invite the task force to Orange County for a field hearing. At that 9-hour hearing, I voluntarily appeared and testified under oath. I answered each and every question put to me by the majority and by the minority. Ten days later, I provided this task force with the complete results of my own field investigation of the so-called 303 voters that the Secretary of State of California alleged were not lawful voters.

I gave the names, the addresses, and voter registration information on nearly 200 of those individuals that we were able to interview or research and we

had proof, they showed us proof that they were naturalized or native born U.S. citizens, some for many decades.

In a detailed brief, I showed the task force each and every instance where our field investigation demonstrated that the INS data is simply wrong, wrong, wrong. I have complied with Mr. Dornan's subpoenas except those that the Committee on House Oversight quashed as not relevant to this election contest. My campaign has turned over thousands of pages of financial records.

We filed thousands of pages of briefs and evidence which have refuted every one of Mr. Dornan's allegations, including his charge that U.S. Marines and Catholic nuns residing in my district were illegal or suspicious voters, and the committee has never issued a subpoena to me or to my campaign. The only subpoena the committee has issued has been to the INS.

A few weeks ago the committee asked me, my campaign manager, and my campaign chairman to respond under oath to a handful of questions. We fully complied in the time frame the committee requested with over 1,800 pages of sworn statements and evidence. I have cooperated with this committee at every step, even while I exercised my right to argue before the district court, which had issued subpoenas about the constitutionality of this process and the burden that it has placed on innocent parties.

Even though the Federal Contested Election Act requires that all parties, that all parties file with the Clerk of the House copies of all depositions in compliance with all subpoenas, neither Mr. Dornan nor the committee has filed any evidence with the Clerk or has shown it to me. Eleven months into this investigation and months after the INS has complied with the committee subpoena, I have not been provided with one ounce of information on a single individual on this list of over 5,000 people you continue to talk about.

The committee has never offered me or my lawyers the opportunity to sign any confidentiality agreements necessary so we can take a look at any of the lists, let alone any evidence or details you might have about the truth. The investigation has been conducted in secret, despite the fact that the statute calls for full and open sharing of discovery in filings with the Clerk of the House that must be shared and should be shared with all parties in this dispute.

This is a status report of what I have done and this is what I offer to my colleagues in the House. I hope this fully sets aside the notion of any effort on my part to stonewall this investigation.

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. HOYER] be allowed to manage the rest of my time.

The SPEAKER pro tempore (Mr. LAHOOD]. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 3 minutes to the gentleman from Texas [Mr. BONILLA].

(Mr. BONILLA asked and was given permission to revise and extend his remarks.)

Mr. BONILLA. Mr. Speaker, I do not think anyone can dispute the fact that the gentlewoman from California [Ms. SANCHEZ] has served this institution with honor and dignity. She is hardworking, by all accounts, and I think she should be commended for that in her remarks that she has just made before this body. But this dispute is not about the gentlewoman from California [Ms. SANCHEZ], or Mr. Dornan, the former Member that used to hold this seat.

This is about potential voter fraud that has existed in this particular congressional district.

I come from south Texas. It is notoriously known for elections that have been stolen over the years and we all know, we have read our history books, about how LBJ got his first Senate victory and zoomed up to the White House rather quickly because dead people voted for him in Duval County in south Texas.

In 1990, we had a situation of a judicial race. A Republican candidate won. The Republican candidate goes to bed one night thinking that she had won, waking up the next day where they suddenly found in a border town that they had discovered 1,000 ballots that somehow did not get counted the night before.

Then my colleague, the gentleman from Louisiana [Mr. TAUZIN] cited the other day a Louisiana newspaper that tried to find out how easy is it to register false names, names that are just made up to see if they can register people to vote, had 25 names that they submitted to the local election officials, 19 qualified somehow to be registered voters; one was a dog.

In each of these cases, somehow local communities turn their back and say, hey, well, let us just forget about it and move on. LBJ won the Senate race. The judicial seat was decided one way. In Louisiana, there are 19 new registered voters.

But should we as Americans turn our back on the possibility that there was enough fraud committed in this particular race to just turn our backs on it? This is 1997. You would think that this kind of occurrence that has happened, could have happened in California, could not happen in this day and age when we have high-technology operations, when we have the ability to police what people are doing in elections, when we should have the technical expertise to find out who is really qualified to vote in this country.

□ 1630

We cannot turn our backs on that.

I ask my colleagues what is wrong with getting to the bottom of this investigation? And if we find out one day that there were enough legitimate voters in this election to say that the gentlewoman from California [Ms. SANCHEZ] should remain in Congress and serve her constituents the way she has been doing, hardworking, with integrity and conviction, like she has demonstrated so far, then more power to her. And, hopefully, she will have a long time here, if she continues to serve her constituents well.

But what is wrong? What are we afraid of in finding out the truth and getting to the bottom of it? Before we get to that point, we should explore every opportunity to make sure that every voter was qualified in this election.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. BONILLA. I yield to the gentleman from Maryland.

Mr. HOYER. The answer to the gentleman's question, Mr. Speaker, is there is absolutely nothing wrong, and we want to make sure that we get to the bottom of it. However, as the resolution points out, I tell my friend from Texas, we have been at this 11 months, with all the information necessary.

We know everybody who voted and we can check every one of them. That has not been done.

Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON], the ranking member of the Committee on House Oversight.

Mr. GEJDENSON. Mr. Speaker, I regret that Speaker GINGRICH is not in the Chair today. He was here earlier and left. But Speaker GINGRICH was elected to this Chamber with fewer votes than the gentlewoman from California [Ms. SANCHEZ]. It was a democratically controlled House. We let Speaker GINGRICH be seated without question.

If Bob Dornan had won this seat by 10 votes, I daresay we would not be here today, a year after the election, having an inquisition about the citizens of that district. Let somebody on that side stand up and say they would vote to keep this thing going if Bob Dornan had won by 10 votes not by 1,000 as the gentlewoman from California has.

What is this all about? I think it is about paranoia of the Hispanic-Americans coming over the border and voting illegally and taking over our country. Give me a break. Anybody in this country that is on the lam is not running down to get registered to have the whole world look at them. They are trying to avoid official contact.

And following procedures, the gentleman from California [Mr. THOMAS] and the committee are now, I think, incapable of a fair decision in this process. The law says Mr. Dornan has to prove his case. What we have here is the committee on a course trying to do all of the work and going after the gentlewoman from California.

Illegal voters? We talk about illegal voters. There is no evidence that is near the significant nature to reverse this election. Here is one of their illegal voters, one of those notorious 305,

with her naturalization certificate, an American citizen who voted legally in that election.

What are we all about here? We are going to try to create enough smoke to steal this election. If we cannot do it here, maybe we can get the Secretary of State to do it. There may be even debtors from the past, anger over previous actions of this House. We are here talking about this race today.

And, frankly, I address the Members of the House who have not been involved in this effort. We need 12 honest men and women on the other side to stand up and join with us to put this mockery to an end.

The Constitution says we make this decision. The Constitution says we have to make this decision here and now. In America there is an old saying that justice delayed is justice denied. We are now through almost 12 months of her term. When will we make a decision? Will we make a decision after the next election? Will we have to create enough turmoil to intimidate other Hispanics from voting so that Republicans can win that election because they are afraid to show up?

We have to end this now. It brings disgrace on this House.

Mr. THOMAS. Mr. Speaker, I yield myself 15 seconds.

I tell my friend from Connecticut, he brought the same lady on the floor the other day, she is no longer on the list, obviously. That is why we need to go through and carefully check. But in trying to preserve people's privacy, does she really need to be exhibited this often, as some kind of a poster child?

Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. EHLERS], chairman of the task force.

And I am sorry the minority leader is not on the floor. He was here earlier but I guess he left, because I would have liked for him to be here so he could hear the chairman of the task force.

Mr. EHLERS. Mr. Speaker, I share the regret expressed by the chairman of the Committee on House Oversight that the minority leader is not here, because not only would I like to have him hear my remarks but, frankly, I wanted to compliment him on the manner in which he presented his statement and his case, in a very straightforward manner, dealing with the facts. And that is what we are trying to do in this case.

In response to the gentleman from Connecticut, I will answer just one of his questions. He asked if someone here would stand up and say how we would deal if Mr. Dornan had won by 10 votes. I do not care how many votes he might have won by, he would have been treated the same way as the present coutestee and the case would have been handled the same way.

In regard to the contestee in the case, the gentlewoman from California [Ms. SANCHEZ], I commend her for her statement, and I want to assure her and assure every Member of Congress that I do not in any way question her actions. I have never accused her of stonewalling. I do not intend to. I am sure she wants to resolve this. I want to resolve it. And I think we will both be well served if we can resolve it as quickly as possible.

However, it is not that simple when one has to deal with all the details we have had to deal with, and I will try to outline a few of the aspects of that.

First of all, a few comments on the resolution presented. The chairman of the committee has already indicated a number of issues that we would disagree with. I simply want to say, although the task force has only had a few official meetings since the start of the year, we have had several informal meetings discussing the quashing or modification of subpoenas and, furthermore, we have had four meetings of the full committee where we have dealt with those same questions. So we have not been inactive on the meeting front.

In addition to that, we have been very active in analyzing the data and information, and I will, if time permits, get into some of the details of that later.

I do also want to comment on the ''whereas'' clause which states that the Committee on House Oversight has issued unprecedented subpoenas to the INS; and also that this is the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters.

First of all, I do not believe the subpoenas are unprecedented, and, frankly, the reason they were issued is that, although the INS initially agreed to cooperate at the local level, they were stopped by the officials in Washington, and we had to resort to subpoenas because they simply refused to cooperate with us. I believe if my colleagues look back through the records, they would find the INS has been more cooperative in the past.

Furthermore, they have been asked a number of times, or their predecessors have been asked, to verify citizenship not just of voters but of candidates for the office. I find it interesting, looking through some of the previous files in the last century, more of the questions about citizenship were raised about the winners of the contest than about the voters in the contest. But, clearly, this is an important issue and they have been involved in this issue before.

Furthermore, I happen to think it is not bad to verify citizenship of voters. I think that it is extremely important, because the law requires that voters be citizens. I have no problem whatsoever with ensuring that voters of this Nation are citizens of this Nation.

Just a comment about the resolution's phrase that we are now seeking a duplicate and dilatory review of materials already in the committee's possession by the secretary of the State of California. We are not asking for a duplicate or dilatory review. We have done enough work on these. Rather, we are seeking verification, because we want to have as few errors as possible.

And that is why we are presenting what we have uncovered in the investigation, in great confidentiality, to the Secretary of State and to the INS, with whom we have been working, asking for verification of various factors there.

Another comment, that no credible evidence has been provided. Well, first of all, I would relate to everyone that our task is somewhat similar to that of the Committee on Standards of Official Conduct. The Committee on Standards of Official Conduct has to work in a confidential atmosphere. We do, too. We do not release information. And that is why we have confidentiality agreements for anyone who works on the information.

Some numbers are public, and I will mention those. My colleagues have heard them referred to. The California Secretary of State initially stated that 303 out of the list of 1,150 registrants, the list from Hermandad, had voted illegally. The Secretary of State's office has taken the information provided by the minority. We have worked with them. The California Secretary of State has now, through careful scrutiny of the entire list, verified that 305 individuals voted illegally. In other words, these are noncitizens who voted.

In addition to that, the Registrar of Elections in Orange County has verified that 124 individuals voted illegally. This has nothing to do with a noncitizen issue. It is illegal use of absentee ballots. So we have approximately 430 known, publicized illegal votes in that district.

Furthermore, one other number that has become public is that our examination of INS and Orange County reveals there are approximately 4,100 potential noncitizen voters. That is, of course, a huge number. And we have, through months and months of staff effort, tried very diligently to try to find out which of those individuals might possibly have citizenship that did not show on the initial search of the INS records.

After all this work, that number of potential noncitizen voters is now much smaller. And we are asking the California Secretary of State to verify our work so that we can have the most precise possible number. Verification is what we are seeking from the California Secretary of State, and I think it is very important to do that.

I believe it is also very important to note that this Congress did seat the gentlewoman from California [Ms. SANCHEZ]. She has performed her duties, insofar as I can tell, and she has performed them well. She has all the rights and duties of a Congressperson and she is exercising them. There was no attempt to deny her the seat. There is no attempt to unseat her without sufficient information. We want to make sure that we have verified all the facts in this case before we act.

Is it taking too long? It is certainly taking longer than I would like. I had hoped we could resolve it sooner, but there is a great deal of detailed work that needs to be done and we are nearing the end of that process.

We are trying to keep it nonpolitical, and I know that is very, very difficult in this atmosphere. I have chided one member of our committee for wearing an orange ribbon in committee meetings and on the floor. I think that is inappropriate, but that is his choice. I am just saying that I have tried to be very evenhanded in my handling of this issue.

We simply have turned to the chief election officer of the State of California to verify what we have done. That official issued a Certificate of Election, which we accepted, but we also want further verification of the numbers we are dealing with.

Mr. HOYER. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. MENENDEZ].

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, a year was more than enough for the Iran-contra investigation to gather documents, issue subpoenas, call witnesses, hold hearings, and issue a final report on a probe that stretched into the White House, the CIA, the military and over several continents. Here it is, all 42 chapters, 690 pages of it, covering everything from detailed constitutional analysis to the tracing of complicated covert arms shipments involving several foreign governments.

But the majority on the Committee on House Oversight would have us and the American people believe that nearly 1 year, the same time it took to do this, is not enough time; and after hundreds of thousands of taxpayer dollars, that it is not enough funding to conclude their investigation into the 46th Congressional District election. We do not accept that assertion.

If Bob Dornan and the Republicans want to challenge the election, it is their burden to prove the election should be invalidated, not the burden of the gentlewoman from California [Ms. SANCHEZ] to prove she won the election.

□ 1645

The Republicans and Mr. Dornan have had nearly a year to meet that burden of proof. Yes, she has been seated, but what you are doing is bleeding her of thousands and hundreds of thousands of dollars. She has spent nearly a half a million dollars in legal costs just simply to maintain her process, her rights in this process. That is what you are doing to her. If you had cold, hard evidence to overturn the election, it would be in all of our hands, each and every Member of the House. But you do not. You do not have a list of voters who you can give and prove beyond a shadow of a doubt or even a preponderance of the evidence that voted illegally. Because if you did, you would not only have to invalidate her election but you would have to invalidate the election of the two assembly seats won by Republicans at the same time. One won by 93 votes in California. You would have to invalidate the municipal elections in 3 major cities. You would have to invalidate the judicial elections that were held, school board races that were held would be held in question, and even initiatives that were passed in California. Yet it is interesting that you pick on Ms. SANCHEZ but we remain silent about all those Republicans who won those elections and you do not question the names of individuals who allegedly voted in those elections as well. It is okay to count them towards the victory but not towards her victory.

The fact of the matter is you say we do not care about finding the truth. We do. We are willing to depend upon the U.S. Attorney to pursue Hermandad and find out whatever the truth is. You say that we were not going to shift this to the Secretary of State, yet the list that you want the committee members to adhere to that you are going to provide the Secretary of State is flawed. It inaccurately portrays who is a citizen. It cannot prove who is native born or naturalized. It cannot prove that I as born in this country who might be on that list, it cannot prove my citizenship because only my birth certificate can prove that citizenship. You know, the only way to do this is to go door to door, but that would be an outrage, and so you are going to make this last forever.

Everyone in this Chamber should consider the precedent that would be set if this resolution does not carry, that any Member, Republican or Democrat, engaged in a close race could spend their entire 2-year term defending a victory duly certified by their home State. The simple justice for Congresswoman SANCHEZ, for the people of the 46th District of California she represents and for millions of Hispanic Americans who are watching across the country, what you are doing to her and to us as a community who are waiting and watching, is to simply vote for this resolution, which says either put up or shut up. Show us the proof or end the charade. That is what the resolution asks for. That is what our colleagues should be voting for.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds. I appreciate the machismo of the gentleman from New Jersey, and of course challenging us to provide names or to create some kind of a fatally flawed decision is something that is devoutly wished on his side. We will not. Our job under the Constitution is to examine the congressional race that came to us as contested. If in fact the results of that indicate that there are other races that come under question, then that should be dealt with by the proper authorities. That is never an argument nor should it ever be an argument not to find out who voted legally or who voted illegally.

Mr. Speaker, I yield 1 minute to the gentleman from Long Beach, CA [Mr. HORN].

(Mr. HORN asked and was given permission to revise and extend his remarks.)

Mr. HORN. Mr. Speaker, with the exception of Representative SANCHEZ, I have heard a lot of shouting on the other side of the aisle. Because one shouts does not mean that one is seeking the truth.

I think most people in this Chamber know that I would vote for the person who has the evidence on their side and it would have nothing to do with their party. I would not do as a Democratic colleague of mine and friend of longstanding did a decade ago when the evidence was very clear that a Republican had won and he voted strictly the party line against that Republican. I do not tend to follow that kind of a precedent.

Ms. SANCHEZ has not been denied her seat. She sits in this Chamber. The gentleman from Texas [Mr. BONILLA] said quite well what a lot of us feel.

We have heard a lot about what is appropriate. What is not appropriate is this resolution.

The Gephardt resolution is simply an attempt to deny the truth to this House, and everyone here knows it. Frankly, the resolution shows that maybe this investigation is on the right track. Let us wait and let us get at the truth.

Mr. GEPHARDT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. THOMAS. Mr. Speaker, I yield 15 seconds to the gentleman from California [Mr. FAZIO].

The SPEAKER pro tempore (Mr. LaHood). The gentleman from California [Mr. FAZIO] is recognized for 2¼ minutes.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from California.

Mr. THOMAS. I thank the gentleman for yielding. I tell the gentleman from New Jersey that in my term of ''machismo,'' being from the Southwest in terms of the way we describe feelings that in fact if that did come across, as someone came up to me and indicated, a remark that is not acceptable on your side, I would then substitute the words ''emotion'' and ''passion,'' because I rely on the gentleman from Massachusetts [Mr. FRANK] to assist me at times in terms of sensitivity, and in my reaction if he would allow me I would not use the term ''machismo,'' I would use the term ''emotion'' and ''passion.''

Mr. FAZIO of California. Mr. Speaker, I would like to remove the emotion and the passion for a minute and use a bit of analysis that appeared in a California newspaper about two weeks ago on this subject. The article was entitled, ''Who Abandoned Dornan? Republican Voters.''

Ever since the election, Bob Dornan has insisted that unregistered Latinos voted illegally enough to provide LORETTA SANCHEZ's margin of victory. An analysis of that race done for Republicans, however, asserts that Dornan lost not because of surplus Latino voters but because Republicans stopped voting for him.

The analysis goes on to point out that Bob Dornan ran 6 percentage points behind two Republican assembly victors who ran in a coterminous area, 96 percent of which was in his congressional district, his at the time, LORETTA SANCHEZ's today. Had he racked up among Republicans the same percentage that they achieved, he would have won by some 10,000 votes.

The fact is in the strongest Republican precincts, assembly candidate Jim Morrissey got 75 percent, Bob Dornan got 56 percent. He ran in the strongest Republican districts 20 percent behind his own colleague on the ballot. The bottom line is the people of Orange County, certainly the Republicans, were tired of his buffoonery. They got tired of him calling people lesbian spear chuckers. They got tired of his explaining bounced checks at the House bank and his interminable presidential campaigns.

Bob Dornan ran out of support in his own party in Orange County, and I think he has run out in this precinct as well tonight because as we look at the Republican side of the aisle, there may be five Members here to defend him. Democrats are here in large numbers to defend LORETTA SANCHEZ and her right to claim this seat. Yes, Bob Dornan has lost Republican support in Orange County and in Washington, DC.

Mr. Speaker, the editorial referred to in my remarks is as follows:

[From the Sacramento Bee, Oct. 7, 1997]

WHO ABANDONED DORNAN? REPUBLICAN VOTERS

(By John Jacobs)

One of the enduring images of the recently concluded Republican state convention in Anaheim was of former Rep. Robert Dornan, a wild-eyed look about him, careening around the convention hall hounding reporters and anyone else who would listen with tales of how he has been wronged.

Dornan, a bombastic conservative who once called feminists ''lesbian spear-chuckers'' and who ''explained'' his bounced check from the House bank by saying he used the money to build a shrine to the Virgin Mary in his backyard, has finally become a buffoon, even to the many formerly sympathetic Republicans.

Dornan went on so long at his press conference that the local PBS camera crew assigned to cover him that day ran out of videotape. At that point, Boston Globe columnist Marty Nolan asked the crew, only half-jokingly, ''Which PBS show are you from, Nova?''

Dornan was defeated by 984 votes last November when he ran for what would have been his 10th term in Congress from the very Disneyland district in which the state convention was held. The victor was Loretta Sanchez, a Latina Republican-turned-Democrat now serving her first term.

Ever since the election, Dornan has insisted that unregistered Latinos voted illegally in that election, enough to provide Sanchez's margin of victory. An analysis of that race done for Republicans, however (more on the analysis later), asserts that Dornan lost not because of surplus Latino votes but because Republicans stopped voting for him.

Even though he had no national base and no chance, Dornan spent most of 1995 and early 1996 running for the Republican nomination for president. It was his second futile attempt. He was far more interested in ideological combat elsewhere than in serving his constituents. Ultimately, they got tired of his act.

Dornan is demanding that the House of Representatives invalidate the election and set a Dornan-Sanchez rematch. The House Oversight Committee has so far spent some $300,000 to investigate the charges that noncitizens voted.

Investigators have concluded that there may have been some voter fraud and are continuing to examine it. Whether it's enough to make a difference, no one, besides Dornan, is prepared to say. At the convention, Dornan charged that he has ''bulletproof'' evidence that between 1,200 and 1,500 people voted illegally, but he did not offer it.

''As far as I'm concerned, we've won,'' he announced at an Orange County lunch Thursday. ''I don't want to step on anybody's glory, although it's my life and I have the seat and I won and I am the congressman-elect, the longest congressman-elect in the history of our country 11 months and three days.''

House Democrats say they are outraged that Dornan has had such a sympathetic hearing before the Republican-controlled committee, including the use of subpoenas. Sanchez says she is some $400,000 in debt for legal fees defending himself. Many Republicans say they don't want to fall on their sword defending a man whose very existence exacerbates their electoral problems with women and Latinos, even if they do have a duty to probe potential voter fraud.

But a detailed statistical analysis of the Sanchez-Dornan election concluded that Republicans in Republican precincts abandoned Dornan in droves.

Overall, Dornan ran 6 percentage points below the two Assembly Republicans, Curt Pringle and Jim Morrissey, whose Assembly districts include more than 95 percent of Dornan's 46th congressional district. Among Democrats and Republicans, Dornan got 49.46 percent of the vote. Among Democrats and Republicans, Pringle and Morrissey got 55.55 percent of the vote.

If Dornan had racked up the same vote totals in his race that fellow Republicans Pringle and Morrissey got in their Assembly races, according to this analysis, Dornan would have defeated Sanchez by 9,365 votes. Because he lost by 984 votes, Pringle and Morrissey ran more than 10,000 votes better than Dornan.

This analysis also looked at the strongest (and weakest) Republican precincts in the congressional district. In precinct 68069, which has a Republican registration of 58.51 percent, Dornan got 56.6 percent of the vote. Morrissey got more than 75 percent.

Precinct 68106 is the weakest Republican district in Santa Ana, with a GOP voter registration of just 11.44 percent. Morrissey got just a few more votes here than Dornan, 16.8 percent to Dornan's 15 percent. But Morrissey was able to win re-election with huge majorities in the Republican precincts, something Dornan couldn't do,

The conclusion: The seat is still winnable for a Republican. Three Republicans are interested in the June 1998 primary: Pro-choice divorce lawyer Lisa Hughes; Superior Court Judge Jim Gray; and Anaheim City Councilman Robert Zemel, who has retained former Christian Coalition executive director Ralph Reed to run his campaign.

If the House calls for a special election before June, Dornan, because of superior name recognition, has the best shot of winning. Then he will likely lose again to Sanchez. That's why some Republicans would like to see Dornan step aside for another Republican.

Good luck. They don't call him ''B–1 Bob'' for nothing.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. MICA], a member of the committee.

Mr. MICA. Mr. Speaker, this debate and this matter is not about Bob Dornan and it is not about Ms. Sanchez. This debate is really about the Committee on House Oversight, on which I serve, finding the facts in this case.

Why could this matter not and why can this matter not be concluded? It is simple. We found as a committee that agencies have dragged their feet in compliance with requests that we have made, simple requests to get to the facts. This House just a few weeks ago, September 30, passed a resolution to the Department of Justice asking the U.S. Attorney to do their jobs, to help us get the facts. So what we have been faced with is stalling, delay, a lack of information.

This is not a complex issue if our committee has the facts. The facts that we have in fact indicate that a significant number of voters who voted illegally. We heard the minority leader say that we need the facts, we need the proof, and we need the evidence, and that is exactly what we need and that is all we are asking for.

There is no intent to go through the citizenship of every voter. However, we have reason to be concerned about the validity of a significant number of voters in a contested election.

Ms. Sanchez has been seated and treated fairly by this side of the aisle and by our committee. Again, this is not about Ms. Sanchez, it is not about Mr. Dornan. I agree that the time has come to conclude this process with one caveat, that we have the facts.

Mr. GEPHARDT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BECERRA].

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time. There are a lot of folks in Orange County who are going to have a chance to watch this. I am glad. I hope this is well-reported, because it is time for the voters in Orange County to know what evidence there is that their Congresswoman, LORETTA SANCHEZ, did not really win this election.

Unfortunately, in the hour or so that I have been listening to this debate, I must tell the voters that I have yet to hear one shred of evidence that LORETTA SANCHEZ did not win the votes of the majority of the people in Orange County.

What I have heard is that we want to move this forward and apparently now the majority, which has for 11 months and after hundreds of thousands of dollars investigated this matter, now wants to move this over to the Secretary of State to do what we can do. Well, you have had 11 months, hundreds of thousands of dollars, you have put at stake the representation of the 46th Congressional District and LORETTA SANCHEZ'S ability to represent. You have put in an indicted stage the votes of thousands of voters in Orange County. You have run this game, you have taken the ball, and now you want to punt. You are saying, this political football has been too much, let us send it to the Secretary of State.

The Secretary of State cannot do anything more than you have already done. They can only look at the same names, same numbers, same addresses and tell us what you can tell us. It is our duty. Do not punt. Let us decide. If you have got proof, show it. If you do not, close down this investigation. There are people at stake, the first of whom is LORETTA SANCHEZ, the second of whom are all the people in the 46th Congressional District who deserve representation. It has been 11 months. Let this woman go. Let her represent her district.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CAMPBELL].

(Mr. CAMPBELL asked and was given permission to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, as best as I have understood the debate, there are 4,100 names that match first name, last name, and date of birth from those who were registered to vote, were in the process of becoming citizens, but were not yet citizens. The next process that has to be taken is to compare these 4,100 names which match first name, last name and date of birth and see if they match up against those who voted. If as a result of that process there is a number that exceeds the difference that made the difference in the election, then it is appropriate to consider a new election. No one, certainly me least of all, is interested in seating Robert Dornan by fiat. I think it is only fair to point this out. But the numbers are very serious cause for us to concern ourselves about whether the constitutional processes were followed. The numbers are 4,100 from which we build the case that there may have been more people voting than should have to make the margin of difference in this election.

Mr. GEPHARDT. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CONDIT].

(Mr. CONDIT asked and was given permission to revise and extend his remarks.)

Mr. CONDIT. Mr. Speaker, I rise today to tell Members that I think that we ought to put an end to this. The American people have lost faith with our ability to analytically and systematically look at each other and investigate issues that are important to all of us and the citizens of this country. We look at these things. This has taken 11 months, 11 months, and we have no conclusion to this.

□ 1700

I think that that is enough. We have been disruptive to the House, and we have not allowed Ms. SANCHEZ to do her job and represent the people of her district.

We can debate about the technical things, and I believe that the committee has looked at that. I think it is time that they render a decision to us and let us make that decision. I think that is important for us to do that.

Enough is enough. Let us make a decision, and let us let the committee bring it to the floor so that we can decide whether or not she should be able to represent the people of her district. That is important for us to do that.

I would just call upon my colleagues to think just for a moment about if this happened to any one of us. She has had a great financial burden. I do not think we would tolerate that, and I do not think we ought to allow it to be done to her.

Mr. THOMAS. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan [Mr. EHLERS], the chairman of the task force.

Mr. EHLERS. Mr. Speaker, just to clarify a few points and respond to a few items mentioned by the last two speakers, the two gentlemen from California on the minority side.

First of all, the statement was made that they have not seen one shred of evidence. Apparently they did not hear my comment that, independent of our work, there are 305 illegal voters identified by the Secretary of State, and 124 illegal absentee ballots identified by the Registrar of Elections in Orange County. That is a substantial number right there, certainly more than a shred. In addition to that, of course, we have the other areas we are investigating.

I also want to respond to the repeated comments, both on the floor and off the floor, about the length of time this is taking. Let us get a little reality in here. I would hope that the Members of this House would look back in history and look at what has happened in the past.

I have in my hands a chart, which I will be happy to share with anyone, going back to approximately 1930, of all the contested elections that had real substance to them, such as this one, where an investigation was required.

The first one was 22.75 months duration; then we have a series of over 12 months duration; two of 16 months duration; several more of 12 months duration; 13½ months; 16½ months; 19, 22, 16½, 18½, 19½. And you think this one is too long? Look at the history. Look at what we have had in the past.

This case has not taken too long. If we would decide this contest today, it would be one of the earliest decisions made on an issue of substance in the history of contested elections.

EXAMPLES: DURATIONS OF SUBSTANTIVE HOUSE CONTESTED ELECTIONS CASES

Congress and contest	Outcome supports	Party of seated	Majority party	Committee action [1]	Final vote on House floor [2]	Duration in months
104th—Anderson/Rose (NC)	Contestee	D	R	10/25/95	9/26/96	22.75
98th—Archer/Packard (CA)	Contestee	R	D	10/25/83	11/15/83	12.25
98th—Hendon/Clarke (NC)	Contestee	D	D	10/25/83	11/15/83	12.25
96th—Wilson/Leach (LA)	Contestee	D	D	2/12/80	3/4/80	16
96th—Thorsness/Daschle (SD)	Contestee	D	D	2/12/80	3/4/80	16
95th—Dehr/Leggett (CA)	Contestee	D	D	9/21/77	10/27/77	11.75
95th—Hill & Panasigui/Clay (MO)	Contestee	D	D	10/13/77	10/27/77	11.75
95th—Lowe/Fowler (GA)	Contestee	D	D	10/13/77	10/27/77	11.75
94th—Young/Mikva (IL)	Contestee	D	D	NA	12/19/75	13.5
94th—Mack/Stokes (OH)	Contestee	D	D	NA	12/19/75	13.5
94th—Wilson/Hinsh (CA)	Contestee	R	D	NA	12/19/75	13.5
94th—Ziebarth/Smith (NE)	Contestee	R	D	NA	12/19/75	13.5
86th—Maloney/Smith (KS)	Contestee	R	D	NA	3/24/60	16.5
85th—Cater/LeCompte (IA)	Contestee	R	D	NA	6/17/58	19.25
85th—Oliver/Hale (ME)	Contestee	R	D	NA	9/12/58	22.25
82d—Osser/Scott (PA)	Contestee	R	D	NA	3/19/52	16.5
82d—Macy/Greenwood (NY)	Contestee	D	D	NA	3/19/52	16.5
81st—Stevens/Blackney (MI)	Contestee	R	D	NA	5/23/50	18.5
80th—Wilson/Granger (UT)	Contestee	D	R	NA	6/19/48	19.5
79th—Hicks/Dondero (MI)	Contestee	R	D	NA	12/12/45	13.25
78th—Clark/Nichols (OK)	Contestee	D	D	NA	2/16/44	15.25
78th—Moreland/Schuetz (IL)	Contestee	D	D	NA	2/17/44	15.25
78th—McEvoy/Peterson (GA)	Contestee	D	D	NA	5/5/44	18
78th—Schafer/Wasielewski (WI)	Contestee	D	D	NA	3/29/44	16.75
78th—Thill/McMurray (WI)	Contestee	D	D	NA	1/31/44	14.75
78th—Sullivan/Miller (MO)	Contestee	G	D	NA	11/24/43	12.5
76th—Swanson/Harrigton (IA)	Contestee	D	D	NA	3/11/40	16
76th—Scott/Eaton (CA)	Contestee	R	D	3/14/40	NA	16.25
75th—Roy/Jenks (NH)	Contestant	D	D	4/28/38	6/9/38	19

EXAMPLES: DURATIONS OF SUBSTANTIVE HOUSE CONTESTED ELECTIONS CASES—Continued

Congress and contest	Outcome supports	Party of seated	Majority party	Committee action [1]	Final vote on House floor [2]	Duration in months
74th—Lanzetta/Marcantonio (NY) [3]	Contestee	R	D	NA	6/20/36	19.5
74th—McCandless/King (HI)	Contestee	R	D	NA	6/2/36	18.75
74th—Miller/Cooper (OH)	Contestee	R	D	NA	3/11/36	16
73d—Reese/Ellzey (MS)	Contestee	D	D	NA	2/24/34	15.5
73d—Brewster/Utterback (ME)	Contestee	D	D	NA	5/28/34	18.75
73d—Gormley/Goss (CT)	Contestee	R	D	NA	4/20/34	17.5
73d—Chandler/Burnham (CA)	Contestee	R	D	NA	5/15/34	18.25
73d—Ellis/Thurston (IA)	Contestee	R	D	NA	4/25/34	17.5
73d—Fox/Higgins (CT)	Contestee	R	D	NA	5/28/34	18.75
73d—Lovette/Reece (TN)	Contestee	R	D	NA	5/25/34	18.5
73d—McAndrews/Britten (IL)	Contestee	R	D	NA	4/26/34	17.75
73d—Weber/Simpson (IL)	Contestee	R	D	5/4/34	NA [4]	18
67th—Paul/Harrison (VA)	Contestant	R	R	NA	12/15/22	13.25

[1] Date which the Committee made its recommendation to the full House, usually in the form of a House Resolution.
[2] Date that the House voted on the resolution of the contested election case.
[3] Although the election was held Nov. 6, 1936, the case was not filed with the Clerk of the House uhtil the early part of 1936.
[4] No record of its being called up for passage found.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HUNTER.]

Mr. HUNTER. Mr. Speaker, I want to speak to my colleagues who have asked us to have consideration for Ms. SANCHEZ. There have been a number of debates on this issue, lots of speakers on both sides, and one thing that I think has been consistent on the Republican side is that nobody has spoken derogatorily about Ms. SANCHEZ. Nobody has spoken in a mean way, nobody has attempted to personalize this with respect to Ms. SANCHEZ. I think we have all attempted to be polite and attempted to look at the major issue, which is the voting issue.

I cannot say that with respect to what people who do not like Mr. Dornan have said on the other side. My friend, Mr. FAZIO, I am pretty disturbed that you have gotten up and simply made a personal attack on Mr. Dornan.

Both of the principals have been through a lot here for a lot of months. We should give consideration to both of these principals; not just Ms. SANCHEZ, but to Mr. Dornan. Let us decide this case on the facts, and see that the person with the most votes wins this thing.

Mr. FAZIO of California. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from California.

Mr. FAZIO of California. Mr. Speaker, this is not a personal attack on Bob Dornan. This is the result of Bob Dornan's career and reading of the voters of Orange County, CA.

Mr. THOMAS. Mr. Speaker, it is my privilege and pleasure to yield the balance of my time to the gentleman from Texas [Mr. ARMEY], the majority leader.

The SPEAKER pro tempore [Mr. LAHOOD]. The gentleman from Texas is recognized for 2½ minutes.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, this is the second time in my brief career in the House of Representatives that I have seen the House take up this responsibility, mandated on the House by the Constitution, to determine the legitimacy of the election of its Members.

When I was elected in 1984, when I came here I was a bright-eyed and naive, innocent freshman, who had never been in a legislative body, even insofar as having attended the gallery. In a very few short weeks after I was here, I saw a young gentleman from Indiana named Mr. McIntyre refused his seat in Congress and his election overturned by the actions of this body in a very short period of time.

At that time there was a heated debate on this floor. There was anger. My eyes bulged out. I had not seen people act this way toward one another, outside of a faculty lounge, in my lifetime. I knew it was exciting, and I understood there were good points made on both sides.

I remember the then majority, that was acting definitively to deny Mr. McIntyre his seat in the House, made the point that it is our solemn responsibility, given to us by the Constitution; we can do no less, we must act with discipline and integrity. And, in 3 or 4 weeks, they did so.

Now here we have a committee addressing the same kinds of question, the same kinds of issues. They are taking their time, they are being thorough.

We have the gentleman from Michigan [Mr. EHLERS]. Mr. EHLERS, I believe, is a physicist. He is some kind of hard scientist, a careful man. He wants the facts to be clear. He does not rush to judgment, checks and double-checks his work, needs all the data; we have the gentleman from Ohio [Mr. NEY], hardly a rabid partisan, a very thorough-going man; the gentleman from Maryland [Mr. HOYER], certainly none of us would think of Mr. HOYER as a partisan; all of whom have said we need to be sure we do this thoroughly, professionally, and in light of all the data.

It is not about Congresswoman SANCHEZ, it is not about former Congressman Dornan; it is not about your party, and it is not about my party; it is not about race, it is not about sex; it is about whether or not this body has the discipline to do its duty thoroughly and completely down to the last detail before they come to the determination of judgment about who does in fact have the legal, legitimate right to represent 500,000 people.

There is evidence that demands more thorough investigation. The committee has not had the full and complete and prompt response it should have had, and the work is not completed.

But make no mistake about it. For all these years I have thought about the McIntyre case. I always knew it was important. I always knew that the majority was then dedicated, but I always wondered, was it in fact the truth which was gotten to? I never knew.

I think maybe a few more months, an extra amount of time, a more full and complete verification of what it is we found and how we found it that brought us to this conclusion might have made me more comfortable throughout all these years that this body was a body of honor and duty fulfilling its obligations under the Constitution. I would like to have been comforted by no doubt on that point.

I do not want somebody sitting here on this side of the aisle as a freshman, celebrating in their own mind the wonderful responsibility and privilege of getting to be in this body, 10 years from now wondering, in 1997, even if it took us into 1998, did we dare to take the time to do the job completely, fully, thoroughly, in full respect to our duty and the wisdom of the Constitution that endowed us with that duty?

We all deserve, 10 years from now, to have no reservation about that, and I believe we all ought to dare wait for the facts to be fully known.

Mr. GEPHARDT. Mr. Speaker, I yield the balance of my time to the gentleman from Maryland [Mr. HOYER].

The SPEAKER pro tempore. The gentleman from Maryland [Mr. HOYER] is recognized for 4 minutes.

Mr. HOYER. Mr. Speaker, the majority leader is correct. We stand in those seats and we raise our right hand and we swear to preserve, protect, and defend the Constitution of the United States. There is no more sacred right that the people have than to select their representatives, and to select them in an election that is fair and does not dilute in any way their votes.

Therefore, I tell you that it is appropriate that if those who voted illegally affected this election, this election should be scrutinized carefully and appropriate action taken. But in the same vein, the voters of the 46th Congressional District have the right to expect us to conduct that process in a manner befitting of that oath.

I tell my friends in this House, sadly, as the minority member of this task force, that that has not been done. I asked early on that we proceed in a bipartisan fashion to establish process, to establish the way that we would reach a decision, in an orderly, fully dispositive, timely way.

I tell my friend, that has not been done. In point of fact, as the resolution points out, the task force has not met since April of this year. I asked in February in a letter to the chairman of the task force, let us meet together to come to agreement on the process. No such meeting has ever occurred.

I tell my friends that I asked to be fully apprised of the information we were seeking and the information we were receiving. I tell you sadly, that has not occurred.

In fact, my friends, this very day I found out at 4:15 that there will be the third meeting of the task force since the beginning of this year, tomorrow at 10 o'clock. No prior notice. And I tell my friend, the gentleman from Michigan [Mr. EHLERS], the chairman of the task force, he and I talked for approximately 45 minutes this morning at 10 o'clock, and I was never informed that there would be a task force meeting.

No, my friends, this process has not been fair, it has not been open, it has not been directed at fully getting out the information that is necessary to fairly determine this election.

Now, my friends, I tell you, the Republican Secretary of State in latter March or early April said there were 303 votes that were in question in this election. You heard the testimony from the gentleman from Connecticut saying many of those votes have already been found to be registered, valid voters.

The Secretary of State of California, two weeks ago, had a press conference and he said, after 6 months, he now believed there were not 303, there were 305. That is a third of a voter a month. I tell my friend from California, at that rate it would take us 160 years to get to 984, and then you would have to assume that every one of those voters voted for [Ms. SANCHEZ], and our precedents do not allow that, and logic does not compel it.

My friends, this resolution says, as the two bipartisan individuals who were counsel for the Republicans and counsel for the Democrats in March of this year said, let MARY LANDRIEU go, because they have not made a prima facia case. And, very frankly, the Republican leadership rejected that. It took them 5½ months.

I tell my friend from California, the distinguished legal professor, to come to exactly the same conclusion. Why, MARY LANDRIEU twisted in the wind and had to spend money and had to have her focus diverted to defend a case that Republican counsel and Democratic counsel 5 months ago said had no merit.

□ 1715

I ask that this resolution pass; that we decide the case on the gentlewoman from California [Mrs. SANCHEZ] or we dismiss this case, which is without merit.

Mr. GEPHARDT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. GEPHARDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 204, nays 222, answered ''present'' 1, not voting 7, as follows:

[Roll No. 525]

YEAS—204

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NAYS—222

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Sanchez

NOT VOTING—7

Cubin
Gonzalez
Houghton
McIntosh
Ryun
Schiff
Visclosky

□ 1735

Mr. BONO and Mr. GREENWOOD changed their vote from ''yea'' to ''nay.''

Mr. FROST and Mr. OBERSTAR changed their vote from ''nay'' to ''yea.''

So the resolution was not agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2490

Mr. THUNE. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor from H.R. 2490.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from South Dakota?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute.)

Mr. OBERSTAR. Mr. Speaker, I see the distinguished minority whip on the floor, or I saw him, and would like to inquire about the schedule for tomorrow on behalf of our committee to know what the program is for the further consideration of Amtrak legislation which was put off last night. Is there a program for the further consideration of Amtrak?

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman asking the question. It seems that we have a lot of conflicting schedules going on after 6 o'clock, and at 6 o'clock, and we felt it was such an important issue that we would put it off and bring up the debate on finalizing the bill on reauthorization of Amtrak the first thing in the morning starting around 9 o'clock.

Mr. OBERSTAR. Mr. Speaker, would that be preceded by 1-minute speeches?

Mr. DELAY. Mr. Speaker, I am not advised but I would assume, as is usually the custom on the end of the week, if we have any 1-minute speeches they will be severely limited.

Mr. OBERSTAR. Mr. Speaker, then the gentleman can assure us that the Amtrak legislation will come up tomorrow?

Mr. DELAY. Mr. Speaker, as much as anybody can assure anybody of anything around this place.

Mr. OBERSTAR. Mr. Speaker, the Stones concert will proceed tonight?

Mr. DELAY. Mr. Speaker, I am advised that the Rolling Stones are in town and several members were going, but there are other events also. There is a Habitat for Humanity event going on and there are also many Members who have their spouses in town and there is an event honoring the spouses and the Members at the Kennedy Center.

Mr. OBERSTAR. Mr. Speaker, I was just concerned that the Stones might be rolling tonight, but the trains might not be next week.

Mr. DELAY. Mr. Speaker, we want those trains to roll.

Mr. OBERSTAR. Mr. Speaker, so we would be able to proceed on that legislation and I appreciate it.

PRESIDENT IS URGED TO GIVE DISTRICT OF COLUMBIA SCHOOL CHILDREN A CHANCE AT QUALITY EDUCATION

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I simply wanted to rise in praise of two Americans who are trying to help the children of Washington. Ted Forstmann and John Walton are giving $3 million each to a scholarship fund for low-income children in the District of Columbia.

I think every Member of the House should look at this. Here are two people who do not live in Washington, but they love their national capital and they believe that the children of their national capital should have an opportunity to go to a school that is safe, drug-free, and where real learning occurs and where these children have a chance for a better future.

I think for Ted Forstmann and John Walton to go out of their way to help the national capital is a good thing, but I think it also sends a signal to the President that everybody in public housing should have the opportunity to choose a school for their children that is safe and disciplined and has education, and that that should not just be reserved to the two highest elected officials living in public housing, but everybody in public housing ought to have that opportunity.

Mr. Speaker, I would argue that we can have a chance in the bill we passed just 2 weeks ago to give 2,000 children an opportunity to have a scholarship to let their parents have the right to choose, and I would urge the President: ''Please accept the chance for the poorest children of our national capital to have a chance to go to school that is safe and drug-free with real learning.''

[From the Washington Times, Oct. 14, 1997]

VOUCHER FUND GETS $6 MILLION

(By Susan Ferrechio)

Two private businessmen have donated $6 million to a small D.C. school voucher agency that will use the cash to help pay for 1,000 low-income city students to attend private schools.

Theodore J. Forstmann, one of the donors, said at a news conference yesterday he was donating his share of the money because the D.C. public school system is ''really awful'' and he wants to help some escape a notoriously troubled system where they cannot learn or get ahead. He said he wants to encourage ''citizens taking responsibility for problems and taking action.''

The Washington Scholarship Fund, a privately financed charity, pays for 460 D.C. children to attend private school this year.

The agency will use the first of three $2 million infusions to pay up to $1,700 in tuition to each eligible student, beginning in September 1998. The students now served by the fund come from households that earn an average of $18,000 each year.

John Walton, like Mr. Forstmann a business investor and a believer in vouchers, is matching the $3 million donation to the agency, which was started in 1993 by a former Department of Education analyst.

''There was a real need in Washington, D.C., to help the children,'' said Mr. Forstmann, who is chairman of the scholarship fund's board of directors.

Mr. Forstmann, of New York, and Mr. Walton, of San Diego, have donated money to voucher programs in other cities, including a program in New York that helps pay private-school tuition for 40,000 low-income students.

The donation comes as Congress is debating a plan to spend public money on private school vouchers for D.C. students.

The House next week will resume debate on a plan in the D.C. Budget Bill to spend $7 million next year on 2,000 scholarships for low-income students to attend private schools.

That plan, which would offer up to $3,200 a year to pay for tuition, books or transportation to private schools, is supported by many Republicans but opposed by President Bill Clinton.

Washington Scholarship Fund president and founder Douglas D. Dewey said students are chosen by lottery to receive money from the agency, which pays up to half of one year's tuition.

He said the agency, which is run by three employees, will raise an additional $800,000 this year.

Lora Watkins, a secretary for the Department of Commerce, took her three daughters out of Watkins Elementary in Southeast this year. She pays $4,600 in tuition to send them to a nearby Catholic school, Our Lady Queen of Peace. The scholarship fund subsidizes $2,300 for her tuition costs.

''I was just desperate to get them out of the public school, no matter what,'' said Mrs. Watkins. ''They're learning a whole lot more, it's just totally different. The education is so much better.''

Enrollment in the city school system of 78,500 students is declining, school buildings are crumbling, and students test poorly.

The system has been under reform since November by an Emergency Board of Trustees and chief executive officer appointed by the D.C. financial control board.

[From the Washington Post, Oct. 17, 1997]

WHAT A DIFFERENCE HAVING A CHANCE MAKES

(By William Raspberry)

Ted Forstmann isn't much of a philosopher—quite the refreshing opposite. He comes across, over lunch, as a down-to-earth rich guy who, for reasons even he has trouble articulating, just wants to give something back.

So he and his friend and fellow entrepreneur, John Walton, are giving $3 million each to a scholarship fund for low-income children of the District.

He's sure it's the right thing to do, even though he is pretty much inventing his philanthropic largess on the fly.

''You've heard that biblical passage about it being easier for a camel to pass through the eye of a needle than for a rich man to get into heaven?'' said Forstmann, co-founder and senior partner of the $16 billion New York investment firm Forstmann Little & Co. ''I think what that's saying is that if you achieve success and don't do something worthwhile with it, then—well, you're just sort of pathetic.''

He's trying to do something worthwhile with his success. But why schools? In part, he says, because of what he learned at his first job, at a reform school, and in part because he believes schools—Andover, Yale, Columbia—have been a huge factor in his own success. Why D.C.?

Why not D.C.? Besides, Douglas Dean Dewey, who runs the Washington Scholarship Fund, asked him to help.

Forstmann, athletically trim at 57, has just left a press conference announcing the

gift, and he's trying to talk about what motivated him and Walton to do it. ''I worry about kids who are born into the world without a choice,'' he says over a huge swordfish steak at Washington's Capital Grille. ''It's like being born already dead. There are too many children like that, and I just feel we have to do what we can for them.''

He is just a little weary of critics pointing out the inadequacy of his effort, which amounts to a partial scholarship (one-third to two-thirds of a tuition) for K–8 youngsters who are accepted into private or parochial schools and then win a lottery for the awards. The 1,000 lucky winners are ensured of scholarship help for at least three years, and probably through high school.

''Sure, I wish we could do more—and over time, we will.'' he says. ''Sure, the parents will have to put up some money [for application fees, uniforms, books] they many have. And sure, what we are doing won't fix the public schools. But I'm not going to beat myself up for what I can't do.''

Nor will this lifelong bachelor concern himself over the politics of his effort. ''I'm not allied with the people who are pushing vouchers. I'm not opposed to them, necessarily. This is something separate.

''Let me put it this way. I've been what happens to people when they feel they have no choice in their lives. The kids I worked with at the reform school—I was an assistant hockey coach—wouldn't cheer if the game was close, or if they were behind. But when they were up 10–0, they would raise the roof. They had lost so many times, they couldn't let anybody see they cared about losing. What was true for those kids in sports is true for the kids we're trying to help in life. We want them to have the courage to try to succeed, to meet high standards.''

Is he afraid of skimming the public schools of some of their brightest children (and most committed parents)?

''I see it differently,'' he says, ''It's the people who are defending the status quo who ought to be called to task. I look at it the way the kids themselves look at it. I talk to them, and they say maybe about one-tenth of their friends will make it for sure and, with help, maybe half of the rest. The others don't want to try. But then maybe one of those will look at the others and say, well, maybe I'll give it a shot. In other words, you start with those you can help, and with luck pretty soon you've got a majority. The ways things are going now, the majority is on the other end—and they keep the brighter kids from trying.''

Forstmann, who recently was named man of the year by the Inner City Fund of New York, of which he is a director, doesn't particularly like the limelight. The only reason he agreed to the news conference, he says, is the hope that maybe his effort might inspire other people of means to join in.

''There are just so many kids who need a boost that they aren't getting, the way things are now. The point is, there's nothing wrong with the kids. What's wrong is the situation in which they find themselves. We can complain about it, or people of goodwill can step up to the plate and try to do something about it.''

Forstmann is stepping up.

□ 1745

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. LAHOOD). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

IRA EXPANSION NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Mr. Speaker, the Congress is about to enact one of the most important proposals in several years, legislation to reform the antitaxpayer bias of the IRS. Once this legislation to protect taxpayer rights is passed, the focus will shift once again to questions involving tax policy. As we all know, a national debate on fundamental tax policy issues is expected in coming months. This debate will center on several proposals advanced for sweeping reform of the current income tax system.

Many expect actual tax reform to emerge only after an extended period of debate ends with the emergence of a consensus on a tax package. Given the complexity of the issues involved, this process could take a long time, perhaps years.

In the interim, the current counterproductive tax system would still undermine economic incentives while tax reform efforts proceed. Some action is needed now to limit the damage resulting from the current tax system. The tax system we know today has many problems, but one of its main defects is its bias against personal savings. Personal savings is taxed once out of income and then the return on savings is taxed once again when we tax interest.

This multiple taxation penalizes personal savings, a major source of economic growth, so it is no surprise that America has one of the lowest personal savings rates in the world.

This bias can be addressed by increasing the tax deduction for IRA contributions, currently set at $2,000 annually. Earlier this year, I introduced a bill, H.R. 891, to boost IRA deduction limits by $500 per year over several years. When fully phased in, a middle class family could deduct up to $7,000 a year for an annual IRA contribution. I strongly urge that an increase in the IRA deductions be part of any tax relief plan offered in 1998.

An increase in IRA deductions would help middle class families save for their future, become more financially independent, and be better able to deal with unexpected events and become less dependent, less dependent on government. It would also give them a greater stake in the United States economic system. It is a tax cut that average Americans would understand and strongly support.

An increase in IRA deductions would increase personal savings, a major source of investment and economic growth. This would help firms to supply their workers with the best and most advanced tools, thus increasing productivity and income. If we want personal savings to increase, we should increase IRA deductions for middle class Americans. A tax code that penalizes savings and investment makes no sense.

Middle class taxpayers need a means of addressing their responsibilities to save for retirement, for education, for medical expenses, for unemployment, for first-time homeownership and perhaps some other purposes. Federal tax policy should not discriminate against taxpayers willing and able to take on these responsibilities for themselves, but are prevented from doing so by the disruptive, destructive impact of the current tax system.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2107, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–342) on the resolution (H. Res. 277) waiving points of order against the conference report to accompany the bill (H.R. 2107) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1119, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–343) on the resolution (H. Res. 278) waiving points of order against the conference report to accompany the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year for the Armed Forces, and for other purposes, which was referred to the House Calendar and ordered to be printed.

EXCHANGE OF SPECIAL ORDER TIME

The SPEAKER pro tempore (Mr. WALSH). Under a previous order of the House, the gentlewoman from California [Ms. WATERS] is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, I ask unanimous consent to claim the time of the gentlewoman from California [Ms. WATERS].

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

OPENING OF WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. BROWN] is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, this past weekend marked the much anticipated opening of the Women in Military Service for America Memorial. This beautiful monument honoring our Nation's women veterans tells an important story of the place of women in the service and protection of our country. I am so proud that so many women from Florida turned out for this big opening. I want to commend Sheila Chamberlain and the Women Veterans Organization for making this happen.

I want to take a moment to briefly highlight the role of women in this Nation's conflicts. We all witnessed the spectacular events in the Persian Gulf war where more than 40,000 women made significant contributions. However, women have served this country in all of its conflicts dating back to the Revolutionary War.

Women were hired in early wars as cooks, seamstresses, scouts, and couriers. Doctor Mary Walker, an Army physician who served during the Civil War, was the first and only woman awarded the Congressional Medal of Honor. The first Army and Navy nurses corps was established during the Spanish-American War after a typhoid fever emergency forced the Army to recruit 1,500 women.

Women were first recruited as members of the Armed Services in World War I, serving in roles ranging from nurses to telephone operators to clerks. More than 350,000 women served in World War II, including the first female officers. More than 200 military women died in action overseas during the Second World War. In Korea, the war which occurred shortly after we fought the war to end all wars, 48,000 women served. And in the Vietnam conflict, 7,500 women served this country in one of its most controversial conflicts.

We can be proud of the women who have served this country so faithfully, making ultimate sacrifices just like their male counterparts. In fact, in early conflicts women served even though they could not vote and before they were allowed to officially enlist in the Armed Services.

Let me repeat that. In fact, in earlier conflicts women served even though they could not vote and before they were allowed to officially enlist in the Armed Services.

Women have many more gains to make in the military, as pilots, ship captains and as leaders of ground forces.

I am glad that they are entering these areas and encourage all to continue making this progress in these new territories for them.

We must keep in mind that in this day and age of the All Volunteer Armed Forces, we must attract all of our people to serve this country, and this includes women. Women are vital to our Nation's defense, and I am so happy that this memorial was dedicated to all of those who have served. I congratulate all of our women active duty people, women veterans and, under the leadership of General Vaught. I congratulate all those who made this memorial possible.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. CLAY] is recognized for 5 minutes.

[Mr. CLAY address the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FOLEY] is recognized for 5 minutes.

[Mr. FOLEY address the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS address the House. His remarks will appear hereafter in the Extensions of Remarks.]

PROPOSAL TO REDUCE QUOTA OF GRAY WHALES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, in Monaco today the International Whaling Commission, the IWC adopted a proposal to reduce the quota of gray whales given to Russia from 140 to 124. The quota was originally established for aboriginal groups who had demonstrated a nutritional need for whale products.

The United States intends to take four gray whales from the Russian quota and allocate them for harvest by the Makah tribe in Washington State. However, many delegates to the IWC are now saying that they did not approve the controversial Makah proposal.

Evidently, as I stated on the floor, on the House floor last night, the United States has tried to go through the back door by cutting a deal with the Russians and their quota, because they were facing almost certain defeat if the Makah issue were dealt with on its own merits.

The U.S. delegation leader, Will Martin, stated at a press conference in Monaco that the Makah hunt had been approved. He has since been forced to back away from this statement. This is another example of a misleading statement of fact by the U.S. delegation in Monaco. Throughout this process, they have relied on strong arm pressure tactics, misleading information and clever propaganda to distort this issue.

The Makah just have not demonstrated and aboriginal subsistence need, which is what the IWC regulations have always required. The Australians have stated that their amendment, which was added to the United States-Russian proposal was added to prevent the Makah allocation, due to a lack of demonstrated subsistence need. The Makah have claimed a cultural need as subsistence.

If accepted, this will now open the door for more quota increases around the world. Japan has already stated the desire to allow four villages on the Taiji peninsula with no subsistence need to be granted a cultural quota. Iceland, Ireland, Norway, China, where will it end?

We will continue to work with the Makah elders through the legal process to prevent this whale hunt. I have already filed a lawsuit challenging the environmental process the administration went through to give support for the Makah proposal. We must prevent this tragic expansion of whaling and mark my words, this is a step into commercial whaling in the continental United States.

In addition, I am aware of questions being asked the Bureau of Indian Affairs to investigate accusations made by the Makah elders who oppose the whale hunt that have alleged that the Makah tribal constitution has been violated.

According to them, major tribal decisions must be ratified by a referendum of the whole tribe. An issue that has attracted the attention of the whole world that will effect greatly every enrolled member of the tribe surely qualifies as a major tribal decision.

It is despicable that a quota for aboriginal whaling that was established using the legal standard of real nutritional subsistence is now being used to sneak past an allocation for the Makah tribe who failed to meet this criteria.

Truly poor aboriginal people are being exploited through the cynical efforts of the official U.S. delegation.

CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PAYNE] is recognized for 5 minutes.

Ms. SANCHEZ. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from New Jersey [Mr. PAYNE].

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

INTRODUCTION OF SCHOOL CONSTRUCTION LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. SANCHEZ] is recognized for 5 minutes.

Ms. SANCHEZ. Mr. Speaker, I rise today to speak on an issue of national importance that has been ignored by this Congress. Schools across the Nation are bulging at the seams and the Department of Education predicts that overcrowding of America's schools will only worsen over the next decade. Yet school construction was not a part of our budget agreement and it has not been a part of the debate on this floor.

The Secretary of Education recently released a Baby Boom Echo report citing that kindergarten through 12th grade enrollments will be at an all-time high of 53 million this fall. By the year 2007, the number will reach over 54 million. How much longer can we ignore the problem of school overcrowding?

In my county, Orange County, we have one of the youngest populations in the Nation and Orange County schools are perfect examples of how overcrowding can create problems for schools and students across the Nation.

Schools in my congressional district have one of the highest growth rates in the Nation, between 2.4 percent and 5 percent per year.

Each time that I go home to my district, I visit one of those schools. During many of these visits, I have witnessed high schools and junior high classrooms where 50 or 60 or 65 students are crammed into one classroom. I have seen two classes being taught in one room. I have seen too many schools who use portable and temporary structures because they cannot afford to build new ones.

Our kids are not getting the attention they need and their learning is being inhibited. In addition, schools are quickly deteriorating because of extended and increased use.

Local school districts and States have obviously been unable to address school construction needs and, unfortunately, we have not given them an incentive to do so from the Federal level. That is why I have introduced the Expand and Rebuild America's Schools Act, which is a bill that will assist our local education agencies with the financing of school construction bonds.

The Expand and Rebuild America's Schools Act offers a 2-year pilot bond program that local school districts can take advantage of when financing school construction needs. The bonds are interest free. Because the Federal Government will provide a tax credit to lenders in the amount of the interest that would otherwise be paid.

But more importantly, this bill will reward schools that have high standards and that continue to succeed amidst bad conditions.

□ 1800

This bond program will help those schools that have severe overcrowding problems, illustrated by year-round schedules and the use of these portable classrooms. Qualifying criteria for the program includes high growth rates and high student-teacher ratios.

Finally, this bill allows schools to apply for the program directly through the Department of Education, avoiding any State bureaucracy in funding decisions or program administration.

I hope this Congress will soon realize the importance of education, of our schools, and of our children. Let us make school construction and this bill a priority for our legislative agendas.

PUT EDUCATIONAL DOLLARS IN THE CLASSROOMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, why are the liberal Washingtonian Democrats so afraid to change public education? Why are they trying to maintain the status quo in public education? What is it that they were afraid of? Are they so in the pockets of the Washington big unions that they are willing to sacrifice America's children to educational mediocrity?

I am a graduate of public schools. I am the son of a teacher and the brother of a teacher. I think it is very important for us to have a strong, dynamic public education system, and that is why I have worked with our conference to try to give public education the schools that they need to prepare our children for the future.

I am appalled by Members of Congress who choose to ignore the global realities of a changing world in order to keep the status quo. Just because Washington bureaucrats do not want to change or improve education does not mean that Congress has to be their lap dog.

Since I graduated from high school in 1973, SAT scores have fallen. On an international basis, American children, compared to Japanese, German and British children, score lower on many of the standardized tests. Public schools are losing students to private schools and religious schools, and home schools are increasing in popularity and numbers.

Public schools, because of this Washington command and control approach, have lost their local flexibility, their local control. They are mired in paperwork and red tape. That is why charter schools have become so popular.

What are charter schools? Charter schools are public schools. They are funded by public tax dollars. But unlike a regular, normal school, a charter school is free of the educational restrictions that the bureaucracy puts on them out of Washington and out of the State capital school boards.

They are so popular that in 1992 there was one charter school in the United States of America. Today there are 1,000, and within the next 3 years there should be another 2,000 to 3,000 charter schools. Again, why are they so popular? Because they have local control.

What is it that teachers and educators are so sick of? I will give my colleagues an example. A teacher in Camden County in my district was telling me she just returned from a seminar on child sensitivity where they told her, at great expense to the taxpayers, not to hug children, not to be in a room alone with a child, and never to touch a child. And she works in an area where there are lots of broken homes and lots of kids who, Mr. Speaker, frankly, need a hug more than they need an A or an A+. They need a little loving, but we are paying teachers to learn how not to hug children.

Or the teacher in Darien, Georgia, who told me she has to spend 2 to 3 hours each and every week filling out paperwork for the bureaucrats in Atlanta who must send it to their bureaucrat bosses in Washington, D.C., 2 to 3 hours a week, which could be spent helping that marginal student catch up on the algebra or on the chemistry or on the social studies. But it is gone.

Or the mother in Savannah, Georgia, who tells me she no longer goes to PTA meetings because if she comes up with ideas, the teacher may agree or disagree with her, but it does not matter because they cannot change a thing because the teachers' hands have been tied by the bureaucrats, and the bureaucrats' hands at the school board have been tied by the Washington bureaucrats.

People want to return to local control in education. Our schools back home want to be free of Washington command and control bureaucracy, Mr. Speaker, and that is why it is so important that we, as a Congress, keep pushing for local control of education, we keep pushing for flexibility in the classroom, and we keep pushing to put educational dollars in the classroom with the teacher and the student and not the bureaucratic brokers in Washington and the State capitals.

Mr. Speaker, I yield back the balance of my time with a final word; that our public education system is well worth fighting for. Again, I am a graduate of public schools. I believe in them. But I believe we have to allow them the flexibility to be the great institutions which they once were.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FATTAH] is recognized for 5 minutes.

[Mr. FATTAH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. SCOTT] is recognized for 5 minutes.

[Mr. SCOTT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. FORD] is recognized for 5 minutes.

[Mr. FORD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

[Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands [Ms. CHRISTIAN-GREEN] is recognized for 5 minutes.

[Ms. CHRISTIAN-GREEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

STOP 245(I)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BILBRAY] is recognized for 5 minutes.

Mr. BILBRAY. Mr. Speaker, I am here to address an item that has not been discussed very much at all here on the House floor this year, but something that was discussed extensively last year with the passage of the Immigration Reform Act. This item will be considered under the Commerce, Justice, and State conference report very soon.

This item is called 245(I), the notorious illegal alien amnesty program. It is a program that allows that somebody who has violated our immigration laws can pay $1,000 as a payment to be exempted from the immigration laws of the United States. This 245(I) allows those who have broken our laws to gain special status that those who are waiting patiently to immigrate into our country do not have access to.

245(I) means that the people who have played by the rules are being punished and that those who have broken the rules are now going to be rewarded.

Mr. Speaker, I think there was one very clear message that we tried to articulate in the Immigration Reform Act of 1997, and that was that it was unfair to punish those who played by the rules and to reward those who broke the rules. And in fact that bill, the immigration reform bill, which was aimed at ending these types of policies, was passed by an overwhelming majority, by 320 votes in this House.

Democrat and Republican joined together to tell the American people that we were going to stop the absurd process of rewarding illegal immigration. And also those 230 Members of Congress voted together here in this House to send a message not just to America but to the world that the days of rewarding people to come into this country illegally was going to end; and to tell everybody in the world that if they want to come to this country, then come here legally. If they play by the rules, then we will reward them. Break the rules, and they will not be rewarded.

Well, 245(I), Mr. Speaker, continues to reward those who have broken the law and continues to punish those who have played by the rules.

Now, there is an action in the other body that discusses the idea of extending this again another 4 years. And this was a program that was snuck in 3 years ago and was only supposed to be around for 3 years.

Let me remind my colleagues that there are 3,000,500 people waiting patiently to immigrate legally. They do not have the chance to pay $1,000 and get on the fast track, because they have played by the rules. The fact is there is a million people in this country today that have been identified by the immigration department that are potentially eligible to buy into this amnesty program with $1,000.

Now, originally, when this bill was passed and this amnesty program was put in, it was estimated that only 10,000 people would take advantage of this program, and they said that only 10,000 would be initiated. The fact is 400,000 have applied, Mr. Speaker, 400,000 people that have said we want to buy our way out of our illegal status and pay a bribe to the U.S. Government so that they will forgive us for being illegal.

The fact is, Mr. Speaker, this number has gotten so big that over $200 million is acquired by the United States from this bribe, what we call in my neighborhood ''mordida,'' and it is a bribe to get the Government to look the other way.

Now, there are those who will say we have to keep this program now because we are making over $200 million, and that somehow we are going to make benefits off of this. Let me remind my colleagues, Mr. Speaker, that a lot of these individuals who are paying the $1,000 to acquire this legal status are doing so to qualify to receive public assistance benefits from the Federal Government for their children and so that they can then get a check. The fact is the $1,000 will be recouped by many of these individuals if they have minor children who were born here in the United States while they were illegally in this country.

Now, I think it is quite unfair that there are those 3½ million people waiting patiently to immigrate who are not offered this kind of option. Their children are not given automatic citizenship, their children are not offered automatic welfare benefits, and they, by paying $1,000, do not automatically qualify for public assistance and welfare in the United States.

Mr. Speaker, I think that it is time that this Congress has the guts to stand up again, like it did last year, saying that the days of rewarding illegal immigration are over with, the days of punishing those who played by the rules are over with. Mr. Speaker, I am asking for this body to publicly discuss the fact that if 320 Members said it was time to end this program a year ago, why is the Senate and why is this House even considering extending this program?

I think it is time the American people called every one of their Congressmen and said stop the alien amnesty program, stop 245(I), and let us start treating people fairly and rewarding them for playing by the rules.

STOP 245(I)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, I wish to commend my colleague, the gentleman from California [Mr. BILBRAY], for the remarks he just made and for the energy that he has put into this effort to bring our borders under control and to prevent hundreds of millions, even billions of dollars from being spent on people who have come to this country illegally.

I think it is incumbent on those of us who have been very active in this effort to prevent illegal immigration into the United States, to express our appreciation for the fact that legal immigration has done great things for the United States of America.

I know I am speaking for my colleague, the gentleman from California, [Mr. BRIAN BILBRAY], and I know I am speaking for myself and most of us, I think all of us who have been active on this issue in the House of Representatives. Legal immigration has served our country well. We are all immigrants, except perhaps for the American Indians who met us at our shores.

The people who have come here legally, however, are screened so that they are not carrying diseases, they are screened so that they can take care of themselves, so that they are not criminals, so that they are not people who would be involved in acts of terrorism. We have, in fact, the most generous legal immigration system in the world where we screen out people who will not be taking care of themselves or are not healthy or pose a threat to our society, and let other people come to our society who will be producing wealth and become productive members of our society.

We can be proud that the United States of America has a legal immigration system that permits more legal immigration into our society than all the other societies in the world combined. That is a wonderful thing, and we have benefitted from that. But what we have not benefitted from is a flood of illegal immigration in the last 10 years that is overwhelming many of the social systems that we put in place for our people.

In California we find our education system breaking down. Our young people's test scores are going down, down,

down, even as we pump more money into the system. They go in and they say the class size is too large. And then we find out a third of the members of the class are illegal alien children.

In California the health care system is breaking down, and those children in our school system are confronted with diseases that we thought we had knocked out years ago but perhaps are being brought in by illegal people from South America someplace.

□ 1815

These are things we have got to care about, not because we do not like the people who are illegally coming into our country but because we care about our own citizens. The question the American people should be asking of their elected representatives, the question, the main question should be who do you care about, who are you representing. Are you representing some cockamamie liberal idea that they are going to share the wealth with everybody?

I was in a negotiation with someone yesterday who was literally talking about an amnesty program, another amnesty program for the 5 million illegal aliens who are in our system. And also during the discussion we talked about the people who are here illegally perhaps bringing their grandparents over, being able to bring their grandparents over. I just could not understand how anyone could suggest that we bring people over from overseas who are senior citizens, who have never paid a cent into our system, who would then partake in the social benefit packages that our own seniors have paid for all of their lives. They have worked all of their lives to build a little security for themselves, and then we are going to betray them by permitting people to come in great masses from overseas and partake out of the bowl until the bowl is dry, especially when for so long our own citizens have been contributing to that thing, thinking they would be helped by that when they became seniors.

Who are we representing? Who are we watching out for? If our people are not watching out for the well-being of the people of the United States, they should not be in the House of Representatives. We see this time and time again where there is a concept of a global concept here, that it is going to guide our decisions, what is best for the world or best for those seniors overseas.

I have a heart. I care for these good people who would like to emigrate here illegally. I have a heart for people who are trying to improve their economy overseas. But we cannot have policies that are aimed at helping others at the expense of our own people. It should be a fundamental principle. If we can give and help provide and support people who are building free societies and democracies overseas, their societies will progress, they will have prosperity, they can take care of themselves rather than having their people having to emigrate and flood into the United States.

We have a great challenge ahead of us, to be the leader of a free world and to stand for decency. The first and most important responsibility we have in meeting that challenge is to watch out for the interests of the people of the United States of America.

ILLEGAL TRAFFICKING IN HUMAN ORGANS

The SPEAKER pro tempore (Mr. WALSH). Under a previous order of the House, the gentlewoman from Washington, Mrs. LINDA SMITH, is recognized for 5 minutes.

Mrs. LINDA SMITH of Washington. Mr. Speaker, last Friday Representative PELOSI, Representative WOLF, and myself, LINDA SMITH, asked the Attorney General, Janet Reno, to launch a formal inquiry and prosecute all violators of U.S. laws who have illegally trafficked in human organs.

A little over a week ago, there was a documentary shown by ABC, and it showed footage of men and women of Asian descent in China lined up in rows, with one person holding them with their hands behind their back and another person with a rifle to their head. You watched then a military leader, I do not know what the rank, walk behind them and reposition the gun. It was so that the execution made sure that the organs were left in the best order for the person that was in the red army, the People's Liberation Army hospital run by the military just a short ways away, ready for the kidneys from these executed prisoners. It went on to show that this was a common practice, as testified by doctors in the United States and China. People that have been involved, it is reported that there are nearly 4,000 of them at least last year just for the harvesting, as they call it, of their kidneys.

If these allegations are true, we are talking about men and women being treated like animals, no more than like cattle being lined up to be used for the benefit of someone else. I believe America is too good for this, but they are way too good for participating in it, because something more was revealed. I have known this for some time. Some of the tapes that were delivered to the administration a year ago asking them to defend, to do something, to speak out showed that Americans were involved. The tape goes on, though, and shows some things new, and it shows that the Chinese government or folks from China have been coming in on student visas and that they are actually the agents that market for $5,000 down a prisoner's vital organ. In this case it was kidneys. They say, though, that they can match anybody, because they have thousands, maybe millions of people, of whatever match and they can take blood type and tissue type and make sure that the rejection is low, because they have so many specimens to draw from in their prisons.

The reports we get from American Amnesty and other groups is that the increase in the arrests is growing at a great rate in China for folks that just get together to pray in a church, or are of the wrong religion, not okayed by the government, coming together, like possibly Moslem in some cases, Catholic, and that this is what they fill their prisons with. So this is not people even who are hardened criminals.

We have asked the Attorney General to go through all the American laws. We have found so far it is against the law to traffic in organs and to get consideration from them. So the people involved and the corporations that set up the dialysis and stayed involved and corporate heads who have testified to this, we have asked them to be deposed. We have asked the people that are selling, that we have identified and given the names and the visa numbers to the FBI, to be retained and not allowed to leave the country. But more than that, we have asked the President next week when he hosts a party for the President of China to ask him to put a stop to this atrocity carried off by his military in modern hospitals set up by American equipment, dialysis corporations. We need our President to speak out, because that has what has been good about America for many years. Often not foreign policy that is passed by Congress, but a leadership that speaks out and says we have a balanced approach to dealing with other countries. I plead with the President tonight to please speak out for people around the world, and I plead for this Congress to pass a resolution in the next few days, tomorrow, next week that calls for a united voice against this practice.

SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, today in Budget Committee, we heard testimony about what we might do if there were more revenues coming into the Federal government than required under the existing caps for expenditures; in other words, if we reached a surplus sometime next year. That looks like it might be a possibility. We heard testimony that some of that money should go for infrastructure and more money for roads. We heard testimony that some of that money should go for tax cuts. We heard testimony that maybe it should simply go towards reducing the debt of this country that is now at $5.3 trillion.

I would like to put in a suggestion, Mr. Speaker, that we use some of this money to start paying back the Social Security trust fund and start dealing with the huge unfunded liability that we are now faced with with this program of Social Security.

The red chart that I have over here, the blue part shows the short-term blip where we will have more money coming in than is required to pay out existing benefits. The red portion of this chart that goes as much as taking $400 billion a year out of the general fund because there will not be enough in the Social Security taxes coming in shows the length of time of the seriousness of this unfunded liability. I think it deserves just a brief review of the program that started in 1935.

In 1935, we started the Social Security program. It was started as a ''pay as you go'' program with existing workers paying in their taxes to pay for the benefits of existing retirees. At that time when we started, there were 47 workers paying in their taxes, at that time it was 2 percent on $3500, paying in their taxes to support each retiree. 47 of them. By 1950 that got down to about 16. Today there are only 3 workers working paying their Social Security taxes, 12.4 percent with the employee and the employer's share, supporting each retiree, a tremendous burden on those individuals that are working and paying in this huge tax.

Let me just show Members, for example, something that should be very startling to everybody under 50 years old. This chart shows how long you are going to have to live after retirement in order to get back just the money that you and your employer put into the Social Security taxes. Not a good investment. If you happened to retire here in 1960, you could get back everything you and the employer had put in in 2 years. In 1995 it took 16 years if you retired in 1995. But if you are going to retire in 2005, 23 years, or 2015, you are going to have to live 26 years after retirement just to get back what you and your employer put into Social Security.

It is time we took our heads out of the sand and started dealing with this huge problem. This shows the projected growth of the senior population in relation to the workers. The senior population goes up 73 percent between now and 2025. The working population only goes up 14 percent. Here is the chart that shows in 1950 we had 17 workers working to pay their taxes for each retiree, 3 today, 2 by 2029. I think this should be the startling chart that should make us be a wakeup call for all Members of Congress, because if we put this off, that means that the solutions are going to be more drastic later on, either in increasing taxes or reducing benefits.

What we have done in the past is simply increased taxes every time there was a shortage of funds. Since 1971, we have increased the Social Security tax 36 times. We cannot do that.

I have got a proposal that I will be introducing next week that solves the Social Security problem without any tax increase, without taking away any benefits for anybody 57 years old or older, and it starts dealing with this huge problem by allowing some private investment. What we do is slow down the increase in benefits for higher income recipients and the amount of money coming into the trust fund, we use some of that for private investment. So the worker has the ownership of some of that investment that they can invest in the stock market, the equity stocks, equity bonds, equity mutual funds to allow them to gain some of the magic of compounding interest, and they will actually retire with much more benefits than if they stayed on the existing Social Security system.

Another call to arms I think is the fact that the workers today, 78 percent of those workers today pay more in Social Security tax than they do in the income tax. It is unfair, it is going to be generational warfare if we do not do something about it. I say, let us start immediately as we look towards this short-term blip of balancing the budget and start dealing with this huge problem of Social Security to make sure that the existing retirees in future generations have the kind of benefits that we promised them.

□ 1830

EDUCATION IN AMERICA

The SPEAKER pro tempore (Mr. WALSH). Under the Speaker's announced policy of January 7, 1997, the gentleman from Texas [Mr. ARMEY] is recognized for 60 minutes as the Majority Leader.

Mr. ARMEY. Mr. Speaker, I thank the Speaker for that recognition. I want to also thank the gentleman from Michigan [Mr. SMITH] for his five minutes. That is a very important subject, and I think the gentleman from Michigan is demonstrating that, irrespective of the relatively painful political history that this subject has had, that the time may be in fact at hand in America when indeed it will be required of us in responsible public policy discourse to address these very pressing problems that the gentleman has addressed in his five-minute talk.

I want to again commend the gentleman from Michigan, for not only his insight into America's policy problems, but, frankly, his courage to take on a subject that, for all too many years, has been one that has not been appropriately and necessarily addressed in this country.

Mr. Speaker, I would also like to take a moment and give my regards and appreciation to the very many dedicated Members of the House staff. It is so often the case that long after the day's work is done and most Members have gone about their business, that the dedicated staff of this body remain for these matters we call ''special orders.''

Certainly, we recognize the importance of special orders, but, while we do that, we ought to take a little time and recognize the staff's willingness to bear up under that additional workload with good humor and good grace.

As you know, it is not a matter of practice for me to do special orders. That tendency that I have to refrain from doing so is oftentimes in deference to the staff because they, too, have families. They, too, are anxious to get home at night. I would only do that if I felt compelled to do so with respect to a subject that is pressing in the hearts and minds of the American people.

I would further like to predicate my comments, Mr. Speaker, by bringing good news to the body. Our congressional family is made today one person stronger, one person richer. DAVID and Ruthie MCINTOSH today gave birth to their very, very first baby, Elizabeth. I am sure they will come to realize over the years, as I did, it is indeed your good fortune when your first baby is a beautiful baby girl, as mine was. So I am sure all the body would want to join me in expressing our heartfelt congratulations to DAVID and Ruthie, and our anticipation of seeing Elizabeth as a member of our congressional family.

The subject that I would like to address during this period of time, Mr. Speaker, is the subject of education in America. We have had some initiatives brought to the floor. We have seen some debate on the matter. We will talk about this subject this evening, and we will try to have a serious discussion of this subject.

I would like to recognize those of my colleagues that are here before I proceed very much further myself, but I do feel, Mr. Speaker, constrained to say one thing: As we have had these debates, I have been alarmed by the nature of the debate, particularly from the minority. It should be understood and it should be accepted in this body that when it comes to the matter of the education of our children, we are all concerned and we are all dedicated, and that the kinds of hysterical criticisms that have been levied against the initiatives brought to this floor by Members of this body are no compliment to the body, and certainly do very little to help the American people understand how seriously this body takes that most important task of educating our Nation's children.

It would be my fond hope that in the future all Members of this body would be able to approach the debates with the kind of gentlemanly demeanor and assertiveness, a point of view that we have seen as, for example, in the persons of the gentleman from New York [Mr. FLAKE] and the gentleman from Illinois [Mr. LIPINSKI], both from the other side of the aisle, both people whose dedication to the children of this country is not questioned and should not be questioned.

I will come back with some more discussion points of my own, but, as I have said, we have so many Members that want to participate in this discussion this evening, not the least of whom, and if the gentlemen that are here will please abide me, if the gentleman from Florida will please accept,

the gentleman from California [Mr. ROGAN] has in fact with him in the building this evening his own wife and children. They are waiting just a few doors away, and I think we would all agree that it is perfectly in the spirit of what we are trying to accomplish here that we recognize the gentleman from California for his remarks, so he can rejoin his wife and family for their evening meal in fact.

The gentleman from California [Mr. ROGAN].

Mr. ROGAN. Mr. Speaker, first I want to thank the distinguished majority leader, not only for according me the privilege of joining him this evening, but I want to thank him and my colleagues for letting me essentially cut in line.

It is true that my wife and my twin daughters are here this evening, hopefully, watching their husband and father on television, from the next room, with dinner waiting.

This truly is a family-friendly Congress, and when we cannot get home to have dinner with our families, our families can come here to join us.

I especially want to thank the majority leader for something far more important and far more lasting than the courtesy he has extended to me this evening. I want to thank the majority leader for being on the front lines every day of his congressional career, making sure that poor children throughout this country are afforded every opportunity for a quality education.

The majority leader, Mr. ARMEY, has just successfully steered through Congress a voucher program that will give 2,000 of the poorest children in Washington, DC, the opportunity to get out of the worst schools in our country and have the chance to receive the best possible education.

There is no political gain in this for the majority leader, who hails from Texas. None of these children are his constituents. None of these children will cast a vote for him. But they will cast something far more important, the eternal gratitude of a child who receives a good education and the gratitude of their parents who know what that means for a child when they are given the chance to succeed

I would like to share with the body a personal story, one that I know well, and one that deals with the subject of how important an education is to a young child.

Back in the 1950's in San Francisco, there was a young lady named Alice. She was somewhat rebellious. She moved out of her parents home and took a job as a cocktail waitress. Before long, she became pregnant by a bartender who refused to marry her. She would not have an illegal abortion. She decided to have her child, a child that she could not afford to raise, but a child she was intent on giving the best opportunities possible with her limited means.

Alice and her parents made sure that that young boy was given an opportunity to have a good education, and when some of the public schools in downtown San Francisco were not producing results, they did everything they could and used every penny they had to ensure that that child was sent to a private school where rigorous academic standards were taught and where skills like reading, writing, arithmetic, history, and spelling, were taught.

They were only able to afford that for 1 year. Alice had a lot of other difficulties. She had several other children and she married a man who was an alcoholic. Eventually they divorced, and with her four children lived on welfare and food stamps. They moved from community to community, and yet she ensured that no matter what her personal circumstances, she did everything possible to provide her children with a good education.

I think that she was something of a success, because, despite the fact that they had come from a family of alcoholism, illegitimacy, and dependency on government, she still made sure her children got the best education possible. Two of her sons became engineers, one of her sons went on to a little community college and then a public university, and then a public law school. He became a prosecutor, a judge, a legislator, the majority leader of the California Legislature, and, Mr. Speaker, last November, he was elected as a Member of Congress.

I know that story, Mr. Speaker, because Alice is my mother, and is now 62 years old. She has never visited Washington, DC, until this week, and I have the privilege of having my mother sitting in the gallery tonight watching her son, as a Member of Congress, now able to address an issue so important because he understands what it means to his family. And Mr. Speaker, I want to make sure that opportunity is available to every child in this country.

The worst thing I witnessed in my life, was as a prosecutor in the Los Angeles County District Attorney's office. Every single day of my professional life, as both a prosecutor and a judge, I had a front-row seat to see what happens when education fails: Gangs, drugs, crime. That is the future to which we condemn young children when we fail to provide them with educational institutions that are going to focus on rigorous academic standards.

Regrettably, Mr. Speaker, over the last generation, many of our public schools have abandoned those sacred things. And instead have moved off into this ethereal world where psychologists are allowed to bring every conceivable experiment into the public schools and substitute rigorous standards for these experiments.

Now we have children in the public schools who are not given grades because the teachers are afraid they might hurt their self-esteem.

We have public schools today where students are not taught phonics. Instead they are taught to memorize the whole word, which educators tell us gives them a vocabulary of about 300 or 400 words.

We have schools today, like in the school district where my family is temporarily residing. We wanted to put our daughters in kindergarten right across the river in Arlington. You know what we were told? We were told that children in the public schools will be taught one-half a day in English, and the other half of the day solely in Spanish.

Mr. Speaker, I do not want my 5-year-olds spending half their day in a public school being taught in Spanish. I want them to learn the language of international commerce. And when they are in high school, after they have been given the tools to compete and excel and succeed in this country, then if they want to learn a foreign language, let them choose to do so.

Now, there is a remedy for middle and upper income people in this country who are dissatisfied with their public school system. If they have a school system that puts tenure above competency, if they have a school system that wants to experiment on children rather than ensure the children are given the tools to succeed, they have a remedy. They can take them out of a public school, for which they are already paying their taxes to support, and they can spend extra money to put their children in private schools.

Now, that is fine, for parents who can afford it. But what about the parents in this country who can least afford it? What about the parents in this country who are on welfare, who are on food stamps? What about single mothers, like my mother, struggling just to make sure their children are given an opportunity?

I will tell you what happens to them. They are condemned to a life of mediocrity and a life of not being able to succeed.

This is an abomination, and this must not continue. Members of this Congress have a moral obligation to stand up to those special interests of the status quo who fight time and time again, and who are very glib at taking to the floor of this Chamber and talking about their concern for children but who will vote time and time again against the interests of those children.

Mr. Speaker, the time has come to change, fight status quo and provide all Americans with the tools to succeed.

□ 1845

I would say to them that their day in the sun is over, because when it comes to the future of the children of this country, we will fight tonight, we will fight tomorrow, we will fight every single day that we are here, and when we are not here and our successors take our place that fight will continue, because we owe this country and the children of this country no less.

We have an obligation as Members of this House to ensure that every single child of this country has an opportunity to compete, and where that opportunity is being denied, we have a

moral obligation to fight until their rights are secured, and until that can happen.

So Mr. Leader, once again, I want to thank the gentleman for his courage and his bravery, for his lifetime of commitment to this particular issue. It is an honor to me to be able to stand with him here in Congress tonight and add my voice to the growing list of those who recognize the importance of freedom of choice in education.

I would just say to the gentleman that no matter how discouraged he gets and no matter how tough the fight looks, there are going to be millions of people a generation from now who are going to be able to say, I owe the leaders of my country a debt of thanks, because they gave me the opportunity to succeed in the greatest country that was ever created. This will be the victory of the gentleman from Texas [Mr. ARMEY], and in advance I want to salute him for that.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from California, and I want to make the observation that on more than one occasion I have been at events where private citizens were giving of their own personal incomes to give, privately, scholarships for disadvantaged children to attend schools of their choice with their parents. The gentleman from California has been in attendance and been very supportive of that. So whether it be a matter of public policy or private action, the gentleman from California has, in fact, put himself on the line.

Mr. Speaker, the gentleman from Texas [Mr. DELAY] had actually left another engagement in order to be with us tonight, in anticipation of including his remarks. When he saw the large number of people that were here, he deferred to their presence.

I include for the RECORD the remarks of the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I am pleased that my colleague, the distinguished majority leader, has decided to take out this special order regarding our efforts to improve the education system of this Nation.

A famous philosopher once said that only the educated are free. Our system today is doing a very poor job of promoting that freedom.

I believe that our education system fails because it lacks accountability and subverts responsibility.

Rather than focusing on the quality of the education, the system all too often focuses on preserving the status quo.

The status quo is simply not good enough.

We need to bring greater choices to parents. We need to put them in the driver's seat when it comes to improving our education system.

Sadly, the President and the Democrat leadership have fought us on education every step of the way.

What are they afraid of? Why do they refuse to change the status quo?

They are so beholden to labor unions they have forgotten the real reason we have an education system in the first place: to prepare our children for their futures.

We will continue to embark on an education agenda that stresses local control, greater choices for parents, greater accountability for teachers, and higher quality for students.

And we will resist efforts by the administration to bring greater control to Washington, that emphasizes bureaucrats over parents, and that wastes money in schemes that ultimately do not help the children.

We've put together a bold education improvement agenda designed to help kids, parents, teachers, and local officials strengthen and reform our Nation's education system:

We will send Federal education dollars to the classrooms, not to Washington bureaucrats;

We want to return control over education to parents and local communities;

We want to strengthen our commitment to basic academics;

We want to give the working-class and poor parents new education choices—public and private—to educate their children in safe and nurturing environments.

When it comes to school choice, I ask my colleagues on the other side of the aisle, what are you afraid of?

I was especially disappointed by the debate that we had over the D.C. scholarship program.

This was a modest program that would have given 2,000 students in Washington, DC, a better chance to go to a better school.

The costs were minimal but the principle was pure. Give parents a choice and they will make the right decision for their children.

This drives the liberal establishment crazy. They want the power. They want to make the decisions. They want to avoid accountability and competition and responsibility.

So they fought this modest program with every ounce of their strength. The President has threatened to veto the bill, while the Democrats voted in lock step against it.

Why defend the status quo?

Too many D.C. schools have failed. They have failed to provide their students the kind of education that will help them succeed. They have failed to provide their students an atmosphere where they can learn. They have failed to prepare them for the future.

The system has failed. Let's change the system.

But too many of my colleagues don't want change. They want to protect the status quo. They want the money to continue to flow to a bureaucracy that wastes money.

For example, since 1979, the D.C. school system has lost 33,000 students. But in that same time period, the size of the bureaucracy has doubled.

What have the residents of the District of Columbia gained with this bigger bureaucracy? Lower test scores, more dangerous hallways, and more closed schools.

The time has come for school choice. The time has come to give parents the opportunity to have a greater role in choosing the right school for their children.

The time has come to inject accountability into a system that has avoided accountability for too many hears.

Today, we voted on legislation that would give parents in middle-class families greater opportunities to prpare their kids for the next century by giving them education savings accounts.

Mr. ARMEY. Mr. Speaker, another gentleman that I know has a very big heart for these matters, and is very busy and dedicated to them, is the gentleman from Florida, Mr. DAVID WELDON. I have known the gentleman and his wife and their work on behalf of the children of this country now for going on 3 years. Their heart is in it, they are dedicated to it, and they so much believe in these youngsters, and I wanted to share a few minutes with the gentleman.

Mr. Speaker, I yield to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Speaker, I thank the majority leader for yielding, and thank him for his kind words. I would also like to commend him in his initiative for many, many years on behalf of the importance of improving education in the United States, and in particular, in the area of school choice and its value in improving education.

I am extremely pleased to see so many members of the Republican Conference here, particularly the chairman of the committee, the gentleman from Pennsylvania [Mr. GOODLING], and many of the subcommittee chairmen: the gentleman from California [Mr. RIGGS], the gentleman from Michigan [Mr. HOEKSTRA], and so many others who have joined us tonight on behalf of school choice and the importance of school choice.

Mr. Speaker, I will make my comments brief, because I know that many of the gentlemen here are indeed authorities on this issue.

I have been very interested in school choice for a lot of reasons. Probably one of the biggest reasons is my mother was an educator. She was a schoolteacher. She always instilled in me the importance and value of education. We clearly have a problem in our Nation today in that many of our schools are failing. Many of our public schools are not getting the job done. Educational performance has declined in the United States over the past 30 years.

The approach of the past has always been to throw more money at the problem. It has been very, very clearly demonstrated that that is not the solution. One of the more innovative solutions is to give parents more control over where they send their kids.

I was very pleased to be part of the initiative today to pass the A-Plus legislation, which would allow parents to set aside some of their money in a tax-free account, to use that money towards not only college education, which is currently allowed under the law, but as well, for K through 12.

The opponents of this have insisted that this is going to destroy public education in the United States. Let me just say that I think that is absolutely wrong. For them to even say that suggests to me that they recognize that public education in many areas of our country is in trouble. They must be so paranoid that people will stampede away from those bad public schools that they are doing everything in their power to protect them. We do not want to protect a failing system.

My own personal opinion is that those failing schools, in an environment where there is school choice, will do better. They will not do worse, they will do better, because they will be able to compete. I have a higher opinion of those teachers in those public schools, that they will be able to compete in a real marketplace.

The real issue here, in my opinion, is are we going to give school choice to everybody. Because right now rich people have school choice. Before I came to this House, I was a doctor. I practiced medicine back home. I made a good salary. I had a lot of doctor friends. All my doctor friends could send their kids to the schools of their choice.

The people who are locked into those failed public schools, and by the way, there are a lot of good public schools in this country, most of them are great, it is the middle-class families, it is the working-class families, it is poor families, they have no choice.

But we have a lot of initiatives here that give choice to the working class, choice to the poor people. We are trying to get them through this House. We need to get the minority on board on these initiatives. We need to get the President on board on these initiatives. I am very, very happy to be here tonight and speaking out in support of school choice.

Mr. ARMEY. Mr. Speaker, the gentleman from Florida has just made a very important point. It is precisely because we believe that the competition that comes with choice and the involvement of parents holding schools accountable is so critical that we believe that the public schools institutionally will be the first, best beneficiaries, and then, therefore, subsequently the children in the public schools, from a systematic process of choice, parental involvement, and discretion and accountability.

I want to thank the gentleman from Florida [Mr. WELDON] for raising that point.

Mr. WELDON of Florida. If the gentleman will continue to yield, the gentleman just hit on a really critical issue. The issue is the kids; it is not the schools, not the bricks and the mortar, but it is the kids, what is best for the kids.

Mr. ARMEY. Mr. Speaker, we also have the gentleman from the great State of Pennsylvania, [Mr. JOE PITTS], who has invested a great deal of his time and energy in this effort. I really appreciate the opportunity to introduce the gentleman from Pennsylvania to talk about an initiative of his to assure that more of our hard-earned tax dollars actually, indeed, get into the classroom for the immediate service of the children.

I yield to the gentleman from Pennsylvania [Mr. PITTS].

Mr. PITTS. Mr. Speaker, I thank the majority leader for his leadership, along with the distinguished chairman of the Committee on Education and the Workforce, the gentleman from Pennsylvania, [Mr. BILL GOODLING] on this issue, one of the most important components of our American society, and that is educating our children.

I am very pleased that the House Republicans have dedicated themselves to better educating our children. It has become painfully obvious in this country that the answers to our education problems were not, are not, and cannot be found in just arbitrary adjustments of Federal funding levels. Yet, some of our more liberal colleagues here in the House seem to think if we dump more money into crumbling schools, all the problems will go away.

We have been down that road before. The House has finally decided to address some new and innovative questions and solutions to the American education experience. I would just like to speak briefly about one initiative that we have focused our attention on. It supports our public education system.

It is actually quite simple. It involves getting education dollars directly in the hands of those who make our system work, those who have a direct impact on the classroom experience, those who actually know our children's names. It is called the Dollars to the Classroom initiative.

Mr. Speaker, we know that effective teaching takes place when we, one, begin helping children master basic academics; two, when parents are engaged and involved in their children's education; three, when a safe and orderly learning environment is created in the classroom; and then, four, when dollars actually reach the classroom.

Each of us agrees that our Nation's children deserve an opportunity to excel. We all know that this opportunity is inhibited when their teachers and administrators are hampered by paperwork, by time constraints, by financial hindrances just to apply for a Federal education grant.

The Dollars to the Classroom resolution, which we will vote on next week in this Chamber, calls upon the Federal Department of Education, the State education departments, on local education agencies, to spend a greater percentage of our Federal education tax dollars for our children in the classrooms. This is common sense. For far too long Americans' hard-earned tax dollars have gone to Federal bureaucrats, they have churned through the Washington labyrinth, instead of rightfully being placed in the hands of someone who knows the name of each child.

When we look at the funding of our local schools, Federal education dollars are actually a small percentage, rather small, only about 6 or 7 percent. That is a total of $15.4 billion, which goes for elementary and secondary programs from the Federal Department of Education. When we look at those dollars, the classroom may be lucky to see 65 percent of that money. That means that billions of dollars are actually lost in the labyrinth, the abyss of department studies, publications, grant administration, and bureaucracy.

To apply for a Department of Education grant, it takes 216 steps, an average of 21 weeks, just to apply. Additionally, the Department of Education produces tens of thousands of publications every year, only to be purchased for a small fee. I recently found out that anyone who wants to purchase one, an average citizen or a Member of Congress or a teacher, looking for a resource, must pay the Department of Education $4.08 for a copy.

How would we rather have our Federal education dollars spent, on studies like these? Let me list a few. There are 1,767 studies on career planning, 140 studies on checklists, 13 studies on welding, close to 100 studies on education researchers, researching their research techniques, 260 studies on surveys, 26 studies on camping, 3 studies on cement, the concrete experience, 82 studies on calculators, I think we are beginning to get the picture, all produced with taxpayer dollars.

Next week we will vote, and my vote will be in support of tax dollars going for things like providing more teachers, teacher aides, purchasing updated software, state-of-the-art microscopes, using new maps and globes of our world, and even seeing that every American classroom is connected to the Internet and brought into the new information age.

The classroom is where the action is. The classroom is where knowledge grows and learning takes place, not in some Washington office where miles upon miles of paperwork and publications are produced.

The Dollars to the Classroom initiative expresses a call on the Department of Education to see that more departmental education, elementary and secondary funds, get into the classrooms directly. If this actually happens, much more money, in some cases as much as $1,800, would be available for each classroom in the United States.

Even President Clinton has said, and I quote: ''We cannot ask the American people to spend more on education until we do a better job with the money we have got now.'' As he and Vice President AL GORE have said, the reinventing of public education begins not in offices in Washington, but in communities across the country.

We must ask the fundamental questions about how dollars which are to go to the public school system are best spent. We must get more efficiency out of the use of our tax dollars. Education dollars in the classroom can make a tremendous difference and can enhance a child's learning experience. This is not lofty Washington policy talk, this is about kids, our kids, and a practical way to see that they benefit from America's education tax dollars. The choice is clear, either our hard-earned tax dollars go to the hands of Washington bureaucrats, or directly to our children's teachers and classrooms.

□ 1900

For the sake of our Nation's kids, I call upon every Member of this House to vote to place children first. Next week vote for the Dollars to the Classroom resolution. I hope the Members will support it.

Mr. ARMEY. Mr. Speaker, listening to that litany that the gentleman from Pennsylvania has just read of the nature and the types and the kinds of studies we pay for with our tax dollars now finally brought me an awareness of what an old professor of mine meant when he said that we in the university are special. We are not only thinking, but we even think about our thinking. And perhaps he was inspired to that depth of thought by reading brochures from the Department of Education. I cannot be sure.

But if I may, Mr. Speaker, in the words of Johnny Cash, indeed the immortal words of Johnny Cash, ''I've got a good one for you now.'' I am so pleased about our next speaker, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. Speaker, for 10 years I labored in this body in the minority on the Committee on Economic and Educational Opportunities where our leader in our effort on the committee was the gentleman from Pennsylvania. I have come to know him and to know his work well. And let me say, Mr. Speaker, I have no hesitation nor any reservation in saying that in my estimation there is no person in this city who by professional experience and depth of concern is more qualified to understand and to legislate on behalf of the laudable goal and objective of this Nation to educate its children than the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Economic and Educational Opportunities who is, for me personally and I recommend for you as well, my leader on education.

Mr. GOODLING. Mr. Speaker, well, I want to thank the Majority Leader for taking this special order this evening because I know how deeply he feels about every American child having an opportunity to receive a high-quality education.

Mr. Speaker, I want to first pick up a little bit on what the gentleman from Florida [Mr. WELDON] said when he said there are good public schools. I do not want people out there to believe that as a Republican Party we believe all public schools are poor, that public school teachers do a poor job.

I believe 70 percent of our public schools do very well. I believe 70 percent of our public school teachers do very well. However, they only represent about 50 percent of our children in the United States, even though they are 70 percent of the teachers and 70 percent of the schools.

Mr. Speaker, as Republicans that is not good enough. We do not want only 70 percent of our schools doing well. We do not want only 50 percent of our children receiving a quality education. What the Majority Leader is insisting happen is that 100 percent of our schools and 100 percent of our children receive a quality education.

Now, we believe that the same old Federal approach that we have had, and as the Majority Leader was saying, we had to sit in that committee and see promulgated over and over again, has failed and we do not believe that just by doing more of the same or simply by adding more programs things will change. When we sat there what we heard over and over again is: We need more money. And when I would say, ''And what are you going to do with more money?'' The answer was always, ''We can cover more children.'' My response always was, ''If you are going to cover them with mediocrity, you are not doing them a favor at all.''

So, Mr. Speaker, we think that there are new programs, we think that there are new approaches to bring about a quality education for every child. More money to cover more children, more programs—and I am sure the gentleman from Michigan [Mr. HOEKSTRA] will talk about the number we already have later—has not been the answer to our problem. We believe parental involvement, we believe local control, we believe basic academics are all ingredients that will improve our education for all children.

Mr. Speaker, we just recently wrote as Republicans the President's ''America Reads'' program, and we produced a reading excellence program. We approached it totally differently than the President did, because we believed if there was a problem with reading, then perhaps the first place we should start is make sure that our teachers have the quality training needed and necessary to teach all children to read.

We believed that preschool reading readiness programs are extremely important. The first grade child does not fail; the adults fail. And the first grade child should also not be socially promoted. So we believe if a kindergarten teacher says they are not ready to do first grade work, then there should be something in between.

We also believe that tutorial assistance to first, second, and third graders is very, very important. We cannot wait longer because once they get beyond that stage, it is very difficult to change their pattern and change their habits.

And we believe very strongly that we do not need $25,000 to $30,000 AmeriCorps, so-called ''volunteers,'' running all over the school. First, it is an affront to the teacher, and secondly, if the teacher has not been trained properly to do it, how do we believe that all of these volunteers who come running in can make sure that every child can read?

So we say use those college work-study students. Help reduce the debt they have by the time they get to the end of college because of student loans. Increase the amount of money available for college work-study. Get the colleges ready to prepare them so that they can come and assist the teachers, not emptying trash cans in a dormitory to receive that money, but actually getting out and helping others. We believe they can be mentors for those early childhood teachers and we believe they can be role models.

So, again, Mr. Speaker, I join with the Majority Leader to face the challenge that we have to meet, and that challenge is that every child in this country is entitled to a quality education. But not only entitled, if they do not receive it, we do not continue as the most important Nation, and I am not ashamed to say that, in this world. Our lifestyle will go down. Everything will change because in the 21st century, the competition will be so tremendous, so great on the global scale, that we cannot go on the way we are presently going and say somehow or other we can meet the challenges of the 21st century.

So, again, I thank the gentleman from Texas [Mr. ARMEY] very much for taking this special order. But above all, I thank the gentleman for his tremendous concern and his very deep feeling in relationship to the education of all children in this country.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Pennsylvania. Listening to the gentleman's comments, the fact of the matter is the Nation is concerned about the degree to which children are being failed by these school systems. It reminds me of an old line from a psychologist that the definition of ''crazy'' is doing more of the same thing and expecting a different result.

We know that which we have been trying is not working for the children. We must have the innovation and the courage to try something different. Give them a chance. Dare to see what we can do. And, incidentally, I am sure the gentleman would agree with me, we might even dare to do some things the old-fashioned way, the way they worked for the gentleman and me when we were children. Again, I thank the gentleman and I appreciate him.

Mr. Speaker, another very dedicated member of our conference to this whole proposition is the gentleman from California [Mr. RIGGS]. The gentleman is one of the subcommittee chairmen on the Committee on Economic and Educational Opportunities and his commitment and knowledge to the whole process of education is unparalleled in this city, with of course the obvious exception of the gentleman from Pennsylvania [Mr. GOODLING]), the chairman of the committee. But the gentleman from California is dedicated and we look forward to his participation this evening.

Mr. RIGGS. Mr. Speaker, I thank the Majority Leader for yielding to me, and I thank my colleagues for being here to participate in a discussion of what I think is the most important subject that we could consider on this House floor; namely, the education of

our children. I cannot not think of anything more important to the future of our country than ensuring that all of our children, and they are ''our'' children, receive a high quality education.

I was struck by, and I have said this before on the House floor and it is too bad that some of our Democratic colleagues who were so vociferous earlier today are not here on the floor for this special order so we could have a genuine debate. But I was struck earlier today when we were debating this idea on allowing families to invest after-tax dollars, after they had paid all of their taxes, Federal, State and local, property taxes, both real and personal property taxes, allowing them to invest their own, hard-earned after-tax dollars in education savings accounts and then using the interest built up in those accounts to pay for a variety of things for their children in grades K through 12.

And we heard the class warfare coming from the other side, what I call ''the politics of envy,'' and it was pretty clear to anybody who listened to this debate today, particularly anybody across the land who tuned in to our televised floor proceedings on C–SPAN, bless their heart, which party is the more progressive party when it comes to talking about real reform of our schools and educational improvement to benefit every American child.

Mr. Speaker, it also was pretty clear what party was put in the position earlier today of defending the status quo, and defending it, as I hopefully pointed out in my comments, through I thought some rather specious and I thought almost silly arguments; basically, as far as I could determine, acting as a front or carrying water for the education establishment, which, believe me, recoils at any notion of competition or choice in our schools because competition and choice might threaten their monopoly of financial control over our schools.

Talking about choice and competition in education, as the majority leader pointed out, I do chair the Subcommittee on Early Childhood, Youth and Families. I see my predecessor, the gentleman from California [Mr. CUNNINGHAM], over here who chaired the committee in the last Congress. We are known as the education subcommittee for Federal education policy initiatives and funding programs for grades K through 12. We have held a series of hearings in this Congress on the idea of giving parents more choices in the education of their children.

Mr. Speaker, one of the witnesses at an earlier hearing, this was a hearing last month, was the Majority Leader, the gentleman from Texas [Mr. ARMEY], who has organized this special order on the House floor tonight. The Majority Leader has been a long time advocate of public and private school choice as a means of holding existing schools more accountable and expanding educational opportunities for our children, especially those who are trapped due to socioeconomic circumstances in unsafe or underperforming schools.

Mr. Speaker, I really found the Majority Leader's testimony most compelling. In fact, it was really quite moving because the gentleman spoke from the heart. In fact, I think he said that. He tossed aside his prepared remarks and spoke from the heart.

The gentleman argued before our committee that when schools and local elected decision-makers, because that is where ultimate accountability rests, it rests with those elected school board members, school trustees. I was one once. In fact, I was one for 5 years, including two terms as the school board president. I had the distinction of serving as school board president and Little League president during the same year, so I think I got a real baptism in what politics are all about during that year.

But the Majority Leader argued that it was those folks who encounter their constituents every day at the corner drugstore or in their other travels around the community, it is those folks who are ultimately accountable to the people who elected them, their voters, and who are accountable to parents, the ultimate consumers of education, and that when we do make those local elected decision-makers truly accountable to parents, who then have the freedom to choose where their children are educated, then those schools will become good schools.

Mr. Speaker, if those schools do not improve, if they do not meet the needs, do not meet the demands of education consumers, parents and children, they will and should close. And yet all we hear from the other side when we debate Federal education policy on this floor is ''more money.'' More money is the answer, even more money for the District of Columbia public schools, which spend somewhere in the neighborhood, although they cannot quite account for all the money, between $9,000 and $10,000 per pupil per year. More money.

So here we have the rich irony of supposedly an education system in a free enterprise system, in a market-based economy, where all we do to try to correct the problem is throw money at it. In my view, and as the Majority Leader has argued, the cost of failure should not be as it is now, more money, more staff and more of everything. The price of failure should be a closed school.

Mr. Speaker, I ask my colleagues how often have they heard of a school closing? Even the schools here in the District of Columbia, which could not get the roofs repaired, and the schools opened on time.

One other point I want to mention, and that is when the Majority Leader appeared before us he also, I thought very effectively, rebutted the argument that somehow allowing parents more freedom, more choice, more say in where their kids go to school and what type of education is most appropriate for their children, that somehow that choice, that competition will destroy the public school system. Well, he rebutted that argument and pointed out that scholarships or vouchers will actually help save the public school system.

□ 1915

The public school system, if you remember nothing else about what I say tonight, for anybody listening, mark these words, the public school system will reform itself only when parents are free to choose the schools that they think are best able to educate their children. That was the argument that the majority leader made before us when he testified before our subcommittee. I could go on, but I want to give others the opportunity to speak.

I did notice two recent newspaper articles. They really caught my eye. I sent them out through a Dear Colleague. These were two recent newspaper articles, both national publications, that reported that increased competition in response to the demands of parents and their concerns about the quality of the education that their child is receiving is gradual and that this is slowly but surely happening, gradually forcing the public school system to react.

I sent these articles around to all of my colleagues' offices because I thought they were so important and merited attention, because I think they really do signal a major new trend in education and are sort of a harbinger of things to come.

First, USA Today, on September 28, late last month, reported that 12 major education groups, basically the education establishment, because it consists of the National Teachers Unions, the National Congress of the PTA, the national associations of both elementary and secondary school principals, they have all joined together to form a new alliance, ostensibly to improve public education. However, it appears that the real purpose, the real agenda behind the formation of this establishment group is their desire to thwart the growing effort, not just on our part, but on the part of parents and families in hundreds of thousands of communities around this country to infuse more competition, more parental choice into our education system.

Listen to what USA Today reported. Criticism of public schools for poor academic achievement, low standards, and violence has given rise to proposals to provide taxpayer-funded vouchers, tuition grants or opportunity scholarships, for parents. Yes, that means giving parents the full range of choice among all competing institutions, public, private and parochial.

These large, well-funded, vested interests, these are interests that have a self-interest, a financial interest, oppose parental choice because it threatens their monopoly of financial control. But these interests just do not get

it because, as the majority leader himself said when he testified before our committee, and I quote him now, schools exist to serve our children, not bureaucracies. And the interests of the children should supersede all other interests. Just as simple as, put the children first.

The second article ran on October 1, the beginning of this month, three days after the publication of the USA Today article. It ran in the Washington Post, not exactly known, at least in this town inside the Washington beltway, as a conservative publication. The article was entitled, Popularity Grows for Alternatives to Public Schools, Some School Districts React to the Threat of Competition.

The article began by saying, in a movement flustering schools across the Nation, more parents than ever are choosing alternatives to public education for their children, including public charter schools, religious schools and home schooling.

So much, so much that what once seemed only a fad to many educators is today instead starting to resemble a revolution. And it concludes in that article by quoting Robert Chase, President of the National Education Association Teachers Union, saying, I am not sure if any of us really know where these trends are leading us, but it had better make us take a hard new look at what we are doing in public education. That from the words of the President of the largest teachers union in the country.

Speaker GINGRICH has said, schools should be a magnet, not a trap.

As I said earlier, the education system will reform itself only when parents are free to choose the schools and the education that they think are best for their children. That is why we are bringing out to the House floor a series of choice initiatives, beginning two weeks ago with opportunity scholarships for 2,000 District of Columbia families, continuing today with the A plus education savings accounts, and concluding next week with the bipartisan bill to expand public school choice through the creation of more independent charter schools. These are public charter schools that are deregulated, decentralized, where the decisionmaking occurs on site and which are truly treated in an autonomous manner for fiscal and legal purposes and then also our HELP scholarships bill, which will build on the proven success of opportunity scholarships or tuition grants for low-income parents in Milwaukee and Cleveland and try to expand that program nationwide.

I am pleased to join the majority leader and my colleagues tonight on the House floor for this very special special order. As I said at the outset, I do not think that there is anything more important to the future of our country than the education of our children. I thank the majority leader and commend him for his leadership.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from California.

Mr. Speaker, we have with us tonight the gentleman from Colorado [Mr. BOB SCHAFFER].

I would like to make a few comments. I have had the opportunity to visit with Mr. BOB SCHAFFER on very, very many occasions about education. The chairman of the committee, the gentleman from California [Mr. RIGGS] has let my secret out. It is no secret. This is a matter, with me, of the heart.

These children are so special, so precious, so deserving of the same opportunity every place in America as everyone else that you must do your best. The gentleman from Colorado [Mr. BOB SCHAFFER] knows that. The gentleman from Colorado [Mr. BOB SCHAFFER], in the conversations I have had with him, has told me so many times so clearly how critically important is excellence in public education to the larger mission of educating children in this Nation, how precious and dear is the public school system of this country, and how very proud he is of the schools in Colorado.

Now, when we feel passionately about something, when we truly care about something, when, in fact, it is something that really is a flame in our heart, we will oftentimes express that. And sometimes we will express it in such a manner as to put ourselves in harm's way, Mr. Speaker. I can tell you, I was the first Member of Congress ever to prove that I am able to shoot myself in the foot while I have it in my mouth.

But I never said something in a clumsy manner that I did not care about. Mr. BOB SCHAFFER has expressed his concern and his commitment to education and unhappily, I know, expressed his feelings in strong language. But what is unfair and what is not acceptable, if we are going to have responsible discourse, is that the gentleman from Colorado, Mr. BOB SCHAFFER, has been jumped on. We have Members running all over this place feigning moral outrage and trying to build a caricature of his concern into something other than what it is.

Knowing about this, when I decided to do this special order, I made it a point to find the gentleman from Colorado, Mr. BOB SCHAFFER, and to ask him if he would be willing to come over here this evening so that America can see the BOB SCHAFFER of concern and commitment to excellence in public education, excellence in education for every child of this Nation, a matter of his heart that I know to be profound and deep.

With that, Mr. Speaker, I yield to the gentleman from Colorado [Mr. BOB SCHAFFER], my friend and my colleague.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I thank the leader for yielding to me and for those kind words. What you described is really akin to a scene out of the Empire Strikes Back, because that is exactly what we experience and the passion that you mentioned, which I share with you, on the opportunity that we have here to really improve the quality of public education throughout the country. There are those who believe that our discussions about empowering parents and empowering children and empowering teachers treating them in fact like real professionals, that those values that we fight for here every day are somehow a threat to the large centralized bureaucratic monopoly that many wish to preserve.

There are many who want to centralize education authority right here in Washington, D.C. and steal that authority from our classrooms, from our school board members, from our principals, from our State legislators and bring all that authority here.

We are fighting on a daily basis to decentralize education authority and treat parents like real customers, to understand that it is parents who have the greatest concern for their children.

I want to start with myself. I have got four children, three of them are in public schools today. And those are public schools that I have spent an incredible amount of time volunteering and working in. I have come to the conclusion that school reform takes place when parents are involved. Every initiative that we have discussed here in this Congress has been about that particular philosophy.

Let me point out a couple of statistics that I think really dramatize what it is we are trying to change. A smaller share of school dollars are now being spent on student classroom instruction than at any time in our history. Between 1960 and 1984, local school spending on administration and other noninstructional functions grew at almost twice the rate of per pupil instructional expenditures.

In 1960, classroom teachers made up almost two-thirds of the full-time school staff. Today, they make up barely more than half. Conversely, the nonteaching staff was barely more than a third of the full-time student staff in 1960, but almost half today.

One more statistic, fewer than half of all public education dollars are spent in the classroom. They are spent on bureaucrats, on support personnel, on administrative buildings, but fewer than half are spent on children in the classroom. That is what we have been discussing over the last few weeks here in this Congress on the floor of the House, real education reform, treating parents like customers and teachers like real professionals. I trust the teachers in my district. They have done remarkable things to reform the way we educate children.

Let me say on this point, if you consider the bureaucratic model that most teachers are forced to comply with today, you have a system which does the following: The absolute best teacher in the district is paid in the exact same way as the absolute worse teacher in the district. By that standard, is it any wonder that our teachers feel frustrated. They have an incredible job.

They go to school to learn how to teach. They are dedicated and bring a personal passion to the job that is before them. Then they are thrown into a classroom situation where they are not treated like professionals, where they are asked to do more than teach children. They are asked to be social workers, guidance counselors, drug rehabilitators and, on occasion, substitute parents.

Many teachers rise to that occasion and they respond remarkably well. But I say this, if we really want to treat teachers like real professionals, I would suggest that we ought to create a system where they are allowed to become incredibly wealthy, that the value of a teacher is measured by their contribution to the organization. If they have a line of parents outside their door wanting their service, they ought to be treated like real professionals, like the doctor who has the same situation, like the lawyer who has clients waiting outside the door, like the insurance agent, the real estate agent, any professional that has people wanting their service ought to be able to be treated in a way that honors and respects the contributions that they make to their community, to their school and ultimately to the lives of children.

I think, Mr. Speaker, that if you listen very carefully to the debates that have taken place over the last couple weeks, if you want to define the essence, the difference between those of us who really care about improving the quality of schools in our country and those who want to preserve the centralized authority here in Washington, it all comes down to this, and I will conclude on this point. There are those in this Chamber on the other side of the aisle with a far different perspective who believe you measure fairness in education by the relationship between school buildings or different education bureaucracies.

We, on the other hand, believe you measure education fairness in America upon the relationship between children, no matter where they are, whether they are educated in the home, in a private school, in a public school or in any other setting. We focus on the fairness of children. That is what every one of our bills and initiatives here in Washington as a conservative Republican majority have entailed.

That is what we will continue to fight for day. After day. After day until at the end we can finally agree that we have restored the hope and the vision of our country as a society of well-educated citizens.

Mr. ARMEY. Mr. Speaker, I want to thank the gentleman from Colorado [Mr. BOB SCHAFFER]. I knew his position on this matter. I know his heart.

Mr. Speaker, this subject commands such a commitment among the Members of the House that we have found ourselves this evening with an embarrassment of riches on the subject. We had the gentleman from Texas [Mr. DELAY], who came in earlier, had to go out to another discussion. We had the gentleman from Michigan [Mr. HOEKSTRA], who had to go off and will be back later to renew his discussions on this subject. We have the gentlewoman from Kentucky [Mrs. NORTHUP], who sat and waited until it became evident that the time would run out and she would not be able to participate this evening, but who has a commitment to this.

And finally, Mr. Speaker, we have my good friend, the gentleman from California [Mr. CUNNINGHAM], who still sits here and waits his turn as the clock runs down.

□ 1930

If I could close, Mr. Speaker, on this comment. DUKE CUNNINGHAM is a man who is devoted to these children. His wife is a professional educator. DUKE has himself been an educator among his many occupations in life. I have worked with him on the committee that deals with education. He has a great deal to offer and in fact has offered and given a great deal already. It is our loss that we did not have time for Mr. CUNNINGHAM to speak in this hour this evening, but I can tell you the blessing is that he will not quit, he will not go away, he will be back and when he returns to the subject, he says each child will be cared for.

Mr. CUNNINGHAM is so enthusiastic about speaking, he has just suggested, Mr. Speaker, that I ask unanimous consent that my special order be extended for 5 minutes so that indeed he can have an opportunity to speak.

The SPEAKER pro tempore (Mr. WALSH). The gentleman's request is not in order. The procedure is that a Member may not address the House for more than 1 hour in a special order.

Mr. ARMEY. I thank the Speaker and I thank Mr. CUNNINGHAM for his devotion and dedication.

REQUEST FOR 5–MINUTE SPECIAL ORDER

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. MENENDEZ. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

GENERAL LEAVE

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

IN THE MATTER OF CONTESTED ELECTION IN CALIFORNIA'S 46TH CONGRESSIONAL DISTRICT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey [Mr. MENENDEZ] is recognized for 60 minutes as the designee of the minority leader.

Mr. MENENDEZ. Mr. Speaker, earlier today we had a resolution on the floor that unfortunately did not achieve success but should have. Almost 6 months ago, the Los Angeles Times stated that, quote, it is time to wrap up the House inquiry, unquote, which, quote, has produced no evidence that Congresswoman SANCHEZ' victory, which was in the 46th District of California, was the result of electoral fraud. That is the Los Angeles Times of April 22 of this year.

Echoing this was a Washington Post editorial that noted that in the Dornan-Sanchez case, quote, no credible evidence has yet been offered that votes were affected in sufficient numbers to alter the outcome of the race. Washington Post, July 28 of this year.

Just recently, again the Los Angeles Times pointed out, quote, there has been no evidence yet that SANCHEZ benefited from fraudulent votes, and the next regularly scheduled election is only 14 months away. That was back on September 23, 1997.

Yet despite all of these independent statements by all of these newspapers who are looking at the facts and circumstances as they have unfolded since the election took place last November, the fact of the matter is that Republicans continue to drag out this process. They have done so with hundreds of thousands of dollars in taxpayer moneys having been spent, and yet no clear and convincing evidence, no preponderance of evidence, no evidence beyond a reasonable doubt being presented to substantiate that Congresswoman SANCHEZ' election should not be upheld.

It is clear to many of us why Republicans continue to pursue this matter. This is an all-out effort to intimidate and harass new citizens and those with foreign surnames and stop them from voting. This is plain from the fact that Republicans are not checking the citizenship of voters in any other close election across the country. As the President of the nonpartisan League of Women Voters has noted, the committee investigation is, quote, being carried out in ways that may intimidate future voters. Limiting access to the voting booth has been the plan all along.

Just after the election, the Los Angeles Times reported that, quote, Dornan has said his Republican colleagues are seeking a case to use in challenging voter registration procedures nationwide. In targeting this election, Republicans have selected a seat where Hispanic voting played a vital role in the outcome of the election. Republicans have every reason to hope that Hispanic and other minority voters stay

home at election time, and that is because in 1996 Hispanic Americans voted in larger numbers than ever before, with the number of Latino registered voters increasing nearly 30 percent from 1992 to 1996 to more than 6.6 million nationwide. They supported Democrats by a significant margin in 1996. So there is a reason, a good founded reason why the Republican Party seeks to intimidate and suppress that vote.

Voter fraud allegations must be vigorously pursued and prosecuted, but is not the U.S. attorney, who is investigating the matter, are the State officials and local officials who are already on the case not more than enough to investigate it? Are all the use of taxpayer dollars in all of those separate investigations in and of itself not enough to vigorously pursue and prosecute the case?

Unfortunately, these actions in the House are consistent with a history of Republican Party efforts at the polls to intimidate voters in minority districts. For example, Republicans have an 8-year history in southern California of intimidating Latino voters at the polls. The Republican Party paid approximately $600,000 to settle two voting intimidation cases, one stemming from 1988 and 1989 in which the Orange County Republican Party placed security guards and signs at the voting polls designed to scare Latino voters. Because of this track record of voter harassment, in 1992 the Justice Department had to monitor elections because again there were complaints of Republican voter intimidation. Those are not the only places in the Nation, but particularly as it relates to the question of the election in the 46th District of California, it is relevant because there is a history as it relates to Orange County and the Republican Party's attempts to suppress the voters.

But even though we agree that we have got to try to pursue and root out voter fraud, the bottom line is what has been the procedure? And speaking to Members of the minority who serve on the committee, the fact is they have a list of procedural outrages that have taken place by the majority. From the outset, the majority has disregarded the rights of the minority on the committee. It has made decisions for the task force without notifying or consulting the minority. The majority has failed to provide motions and other filings to the minority. The majority denied the minority access to materials provided by the INS and the Orange County registrar. The majority reviewed materials produced to the committee under seal without notifying the minority. The majority's handling of the discovery process has been unfair to Congresswoman SANCHEZ. The majority's decision to give Mr. Dornan subpoena authority again is unprecedented under the Contested Elections Act. Yet the majority permitted Mr. Dornan to issue subpoenas for more than 2 months after his discovery period expired and then cut off discovery for Ms. SANCHEZ without having notified her that her discovery period ever began. So we give the proponent of the election contest two months more than he was legally entitled to, but we never tell the subject of the election contest that her discovery period ever began and then we cut it off.

The majority has made repeated unilateral demands for information from the INS. The majority provided information to the INS, but concealed it from the minority. What is this INS information that keeps being used to create the aura, to create the cloud, to suggest that there is fraud that should be pursued? What is being done, for our colleagues to understand, is that they have taken all of the voters whose surnames appear and compared it to lists provided by the INS. Now, the problems with lists provided by the INS is that the Immigration and Naturalization Service has all of these names in which the surnames may appear a series of times. And even surnames and first names. And even surnames and first names with exactly the same birth dates. In one case, that appeared, the same name, the same birth date, the same address, over 18 times. What does the list prove? Not very much, because the only way truly of proving the question as to whether someone is a legal voter or not when the allegation is that that voter is allegedly not a citizen of the United States or was not a citizen at the time that they registered to vote is to produce proof of their citizenship. In this country, there are only two ways to prove your citizenship. One is your birth certificate. The other is, if you became a naturalized citizen through the Immigration and Naturalization Service, to produce your naturalization certificate. The lists that the INS provided, of course, have no basis for birth certificates, because it is not within their purview. Yet it does have the names of individuals who, like myself, was born in the United States and who may have claimed a family member at some time from abroad and because they simply filed that appropriate petition to claim that family member from abroad under our immigration and naturalization laws is put on this list. However, the INS cannot prove that that individual is a citizen or not because they do not in fact have what in my case would be the birth certificate. That is not their document. They have naturalization certificates. So this list is promulgated not having a basis by which you can ever make a determination. The majority on the Committee on House Oversight knows that the only way, which they simply do not want to do, and I understand why they do not want to do it, is to take the list of those who they challenge as voters and be able to pursue those voters by having each and every single individual address and prove to them whether or not they are a citizen by birth, which means a birth certificate, or a citizen by naturalization, which means a naturalization certificate.

□ 1945

Since they are unwilling to do that, and since they know the outrage that would be generated by people with the door on their home being knocked at and saying, ''By the way, we want proof of your citizenship,'' and I am sure they would equally go and visit a Smith or a Thomas or a Dornan as they would a Sanchez or a Suarez or some other Hispanic name. People would be outraged that they would be approached and their citizenship would be questioned.

This constant number that is thrown out there and these lists, which can never suffice to prove or disprove the issue at hand, 300 names we heard today in the debate were clearly now in question. Yet of those 300 names that are promoted by the Secretary of State, we heard our colleague, Congresswoman SANCHEZ, get up on the floor and say that she and people who had investigated the names found out that about 25 percent of them were proved, and they stopped there, proved that they were, in fact, voters.

It is interesting to note the article from the Los Angeles Times dated October 8, 1997. The headline says ''Four of targeted voters prove themselves. They show they were citizens, when they registered, and denounced Dornan for falsely accusing them.''

I want to read from the article. It says, ''Four voters who were apparently targeted in a congressional investigation of election fraud stepped forward Tuesday with proof that they were U.S. citizens when they registered to vote and denounced former Representative Robert Dornan in his 11-month quest to regain his seat. 'It really hurt me deep inside when I found out my name was on that list of alleged illegal voters,' said Maria Jimenez, a nurse's aide and mother of three who was born in Orange County 24 years ago. 'I don't think it is fair for Bob Dornan to do this to me.' ''

Continuing in the article, ''Another voter was Ramon Mascorro, a 15-year California resident and a citizen since June of 1996. He registered to vote two weeks after taking the oath.''

He said, '' 'My major desire in becoming a citizen was to have the right to vote,' said Mascorro, who owns an electronic business in Santa Ana and wore a tiny U.S. flag in the lapel of his suit jacket.''

Then it goes on to talk about one of the volunteers who went through these alleged illegal voters, who said, ''I personally checked over 75 and I didn't find anybody who voted illegally,'' said Consuelo Smith, one of the volunteers. ''I found people who were born here, people who were citizens for over 20 years, but they were all citizens when they voted.''

Or Virginia Ochos, age 70, who has lived in California since 1958, raised 11 children, and became a citizen last

June. Her oldest son served in Vietnam and she said, ''I feel very bad when they said I made a fraud. This is what hurts me the most.''

Or Toribio Chacon, a factory worker from Santa Ana said he became a citizen in March 1996 after taking classes. His brother-in-law, who took the oath a month earlier, also is a target of the probe. ''I am under investigation and I want to know why,'' he said. ''I didn't do anything wrong.''

The article states, ''All four said that they had not yet been contacted by investigators, congressional staff members, although their names, along with photos of their naturalization certificates and birth certificates were forwarded to the investigating Congressional committee last April.''

So the fact of the matter is, and there are many other articles like this, there is proof time and time again of individuals who were born in the United States, whose children have served in the armed forces of the United States, who are veterans of the United States, and yet constantly their citizenship can be questioned.

I want to read some of the comments of some of these other people involved, what they said. These are U.S. citizens, what they said about how they are being treated.

''The right-wingers cannot have it both ways. On the one hand they complain that the IRS has wrongfully targeted many citizens for tax investigations, and, on the other hand, they take advantage of instances when the INS and other officials have wrongly targeted naturalized citizens in the exercise of our voting rights,'' said Ramon Mascorro, who is an Orange County resident targeted in the Dornan investigation, someone who is a legal citizen.

''I have worked hard, played by the rules, and become a citizen. Yet I am still investigated because of faulty data collected by the INS and used by the right-wingers to serve their political purpose,'' stated Virginia Ochoa.

So, the fact of the matter is that we have a double standard.

Now, what did we attempt to do in the resolution today? Very simple: We said put up or shut up. If you have the proof, proof positive, after nearly a year after the election took place, then bring it to the House floor for all of the Members to consider and to make a judgment on.

We did not get that. We would like to see every name and every address, and, if it is available, every phone number of every alleged noncitizen who voted in the 46th Congressional race in November of 1996. Let us see it. What are you hiding? What is the problem?

If you bring it forth, then it will be subject to being reviewed to determine whether or not, one, they are a citizen or not, and if they are proven to be, like all of these people who came forth, well, then, it is obvious that, in fact, there are going to be many people with egg on their face, because all of these people continue to come forward as citizens, continue to come forward as people who were born in the United States.

Of all of those names that have come forth, we will review them all. Let us find out who is and who is not, and then we will see what the bottom line is. But why are you hiding the names? Why hide the names, unless, of course, you do not have enough names to substantiate what you would like to do, which is to steal the election from Congresswoman SANCHEZ.

That is what we sought to do in the resolution today. Now, in that debate, it is interesting to note that there were other races at the same time that Congresswoman SANCHEZ got elected. There were two State assembly seats won by Republicans. We are not questioning the validity of their elections, even though one won by only 93 votes. Congresswoman SANCHEZ won by over 900 votes. We are questioning her election, but the Republican assembly person who got elected by 93 votes, we are not questioning them.

We are not questioning the City Council races that took place in three major cities. We are not questioning any of those people who got elected, even though the same voters cast their votes at the same time. We are not questioning all of the judges who ran in that race, even though the judges were up for election at the same time in the same election and the same voters voted in that race.

We are not questioning the school board races that took place at the time, even though all those school board members ran and got elected and had the election at the same time in the same election with the same voters.

We are not questioning the initiatives that might be at stake in California that were on the ballot at the same time in the same election with the same voters. So none of those things that Republicans were successful on do they seek to question.

Now, the fact of the matter is that we heard a lot about our responsibility. And, yes, we have a responsibility. We have a responsibility to make sure that individuals who are elected to this House are elected in free and fair elections. But we also have a responsibility to do it in a timely fashion.

All we heard today from the majority is if there are enough voters to overturn it, and if there are enough questions of citizenship, and as one of our colleagues from Texas said, if we find out some day that, in fact, there were not enough votes to overturn the election, then we can clearly confirm Ms. SANCHEZ.

Well, that is a lot of if's. And if this House can permit itself that simply claiming fraud is sufficient to have a Member hang out there for over a year, without being able to have finality, as well as for the voters of their district to have finality, that this is the person who is representing them without question, simply by the allegation of fraud, then this institution is in serious trouble, because what you will see in the next cycle of elections come next year is that someone who loses and wants to contest the election, oh, just raise fraud. Whether or not you can prove it, as they have been unable to prove it in this case, that is another matter. But just raise fraud.

I want to yield at this time to a distinguished colleague of mine from Maryland, who is an attorney and I know has been pursuing the interest in this case and the questions that surround it, the gentleman from Maryland, for as much time as he may consume.

Mr. WYNN. Thank you very much. I would like to thank the gentleman for yielding and also take this opportunity to commend him for his outstanding work on this issue.

It is not easy to carry the banner sometimes, and I have observed his diligence and his conscientiousness in working on this issue to champion the cause of justice. He has done an exemplary job and I commend him for it.

I came down this evening to add my voice to those of us who were quite frankly outraged at what is going on in this chamber. We are outraged, first, at the waste of taxpayer money. This investigation has taken over one year. There has been lots of opportunities, plenty of opportunities, ample opportunities, for the Republicans and their allies to make their case. They have investigated individuals ad nauseam. They have subpoenaed individuals ad nauseam. They have allowed Mr. Dornan, a former Member of Congress, to seek subpoenas, to bring people in, to ask questions, to conduct a thorough investigation.

At every step of the way, those of us on this side of the aisle have attempted to cooperate. Notwithstanding the fact there has been a consistent lack of communication from their side, a lack of cooperation, we recognized that Congress does have a role in looking into these matters. We believe that properly an investigation can proceed.

But, there comes a point in time when reasonable men must conclude that the investigation has run its course, that those persons seeking to prove that there was some sort of fraud have had a fair and reasonable opportunity to make their case. There comes a time when we must say the business of Congress must move forward, the harassment of this new Member, Ms. LORETTA SANCHEZ, must cease, and we must go on.

But the Republican Party is not willing to do that. The opponents of LORETTA SANCHEZ are not willing to do that. They have a clever strategy of trying to soften her up, of trying to wear her out with endless rounds of investigations, subpoenas, and inquiries, accusations and innuendo.

Constantly going over the same turf, but never producing the evidence, producing the proof, that would be necessary to overturn this election.

The American people need to know as they watch this witch hunt play out in the halls of Congress, the American people need to know that the Secretary of State for the State of California examined this question and has certified that LORETTA SANCHEZ is the winner. The Republican opponents of LORETTA SANCHEZ have had a year to marshal their evidence, and armed with all of the tools of the American legal justice system, have failed to do so.

It is time to move on.

□ 2000

Let me mention something that particularly offends me, the fact that this investigation was conducted primarily based on the use of Hispanic surnames. I find that very offensive. I also find it quite ironic. The party that is quick to say we ought not to have affirmative action, the party that is quick to say there should be no race or ethnic consciousness in our country, that we are colorblind and ethnically blind, when it becomes time to conduct an investigation, that is the party that wants to conduct the investigation based on Hispanic surnames. They want to call in all sorts of people based on their names.

Mr. Speaker, the point is, there has been ample time to conduct this investigation. Those persons whose citizenship was in question, who happened to have Hispanic surnames, were reviewed. Those cases were reviewed. My question now becomes, where is the proof? But I do find it offensive that they would take this tactic.

Having taken this tactic, however, having had the opportunity to pursue this distasteful course of action, again, we have no proof. What we have is a request on their part to continue this activity. I find that unacceptable. I find it a harassment of the gentlewoman from California, Ms. LORETTA SANCHEZ, I find it a harassment of Hispanic voters, and I think our Republican colleagues will suffer the consequences of this unwarranted harassment.

This Congress has much important business to take care of. We do not have much time left. We cannot afford these endless rounds of investigation, this endless procrastination, this failure to communicate, and then attempts at the last minute to say, well, we need to work together. There have been plenty of opportunities to work together; there have been plenty of opportunities to investigate. On both counts, my colleagues on the other side have failed miserably to make a case. I think it is time we bring this matter to a close.

We had a vote today. Unfortunately, we did not win. We said, look, produce your evidence by next week or let us close the door. They are not willing to do that. We are going to continue to press the case before the American people, to say that if they do not have the evidence, quit harassing the Hispanic community, quit harassing the gentlewoman from California, Ms. LORETTA SANCHEZ, and let us move forward with the people's business.

Again, I thank the gentleman from New Jersey [Mr. MENENDEZ] for his efforts in this cause.

Mr. MENENDEZ. Mr. Speaker, I thank the gentleman for his participation and for his position. It is always a great situation when Members who are not directly involved, in terms of being from California or being Americans of Hispanic descent, are willing to come out and speak for justice in this process. I appreciate the gentleman's being here with us.

Mr. WYNN. I thank the gentleman.

Mr. MENENDEZ. Mr. Speaker, in this regard, let me just say, I know there are those, including someone who called my office and said, watching the debate, he said, this is not about ethnicity, it is about fraud. My problem with that statement is, yes, it is about fraud, alleged fraud which is not proven after a year, and hundreds of thousands of dollars of taxpayers' money. But it is about ethnicity when you target exclusively those with surnames that are either Hispanic or Asian. Those are the groups whose names are being pursued.

Is that not amazing, that those are the individuals who are being pursued? Yet, if we do not want to face up to that hard reality, that of all of the registered voters that could exist and of all of those who did vote, that the only names that they pursue are those who are overwhelmingly Hispanic or Asian, the fact of the matter is that it certainly gives rise that you are pursuing a suspect class of individuals who you are pursuing simply because of their surname. That is the reality.

That is why people across the country, even those not Americans of Hispanic descent, are disturbed, because today it is about a certain ethnic group, and tomorrow it could be about a certain religious group or it could be about some other ethnic group, or some other form of determining a class of individuals who we now want to seek to suppress.

The Republicans know that this is a problem for them. Just recently the Republican National Committee has created a new majority council to highlight Republican issues that would be popular with the Hispanic community. House Speaker NEWT GINGRICH, Senate Majority Leader TRENT LOTT, and 31 other Republicans have signed on to the effort.

But even a local newspaper here on Capitol Hill called ''The Hill'' said the following in its editorial:

> But when it comes to Hispanic voters, the GOP has a huge monkey on its back. Its efforts to oust Representative Loretta Sanchez, the California Democrat who defeated Bob Dornan, the eccentric Republican who claims she stole the election, Dornan provides a weak foundation on which to base a political campaign.

It goes on to say:

> House Republicans should follow the lead of their Senate counterparts, who dropped their effort to oust Senator Mary Landrieu, whose Republican opponent claimed she stole the election. House Republicans should cut their losses and see their standing in the Hispanic community dramatically improve.

But they have chosen not only not to do that, but they have not chosen to bring I think the type of decency and honesty to the process that could give those people credibility in believing, well, it is taking longer than it should, but at the end of the road we believe in the process. It cannot when you deny the minority opportunities, and it cannot when we heard the gentlewoman from California [Ms. SANCHEZ] talk about the many times she has been denied information, as one of the contestants in this issue. It cannot when we only see that Hispanic and Asian surnames are being pursued.

If it is all right to ask someone named Sanchez or Gutierrez or some other Hispanic surname to prove their citizenship, why do not Republicans go and seek to ask other individuals their citizenship, as well? The bottom line is, that is not what they are doing.

I have many, many new immigrants to my congressional district whose surnames are from European nations. We do not question those surnames as to whether or not that individual is a citizen or not. So the fact of the matter is when some people say you are talking and trying to create a question of ethnicity, we are not trying to create that, that has been created by the Republican majority of the committee, how they have pursued this, the procedures that they have followed, the fact that the only names being pursued are those of Hispanic and Asian descent, and overwhelmingly so.

So it is no question that the Hispanic community nationwide is looking at the 40 Republican Members of Congress who have over 10 percent of their voting population in their districts, who are from the Hispanic community, and saying, how are these people representing my interests? How are they standing up for me as an American of a certain ethnic group?

Certainly today, after today's vote, they are concerned. That is what we heard in phone calls subsequent to this vote today. I think that as the next 2 weeks approach, we are going to find ourselves with another opportunity. I would hope that our colleagues would understand that the precedent being set here today about the gentlewoman from California (Ms. SANCHEZ) is a precedent that can easily be applied to someone else.

If simply the allegation of fraud a year later, without the proof of fraud sufficient to overturn the results of the election, can keep a Member dangling, and the congressional district that they represent in terms of those voters wondering whether or not this person is their Representative by the mere allegation of fraud, and no proof, hundreds of thousands of dollars later, and ultimately, if you can seek to nullify their votes by taking that person's seat

away, then the message that will be sent is a very chilling one for the community, and it is also a very chilling one for every Member of this House. Because in next year's election cycle, when individuals, and there have been many individuals here who have won by much less than 900 votes, and their challenger simply claims fraud, and that is sufficient to go ahead and keep them out there for that whole period of time without proof of fraud sufficient to overturn the election, it becomes a dangerous precedent, not only for this institution, for the Members, but more importantly, for our democratic process. We have a right to a speedy determination of whether or not an individual has been duly elected.

Yes, we should take the time to make sure that that person is duly elected, but one year and several hundreds of thousands of dollars later, and with a process that is flawed and that continues to be flawed, where the minority is deprived of rights and where one of the contestants is deprived of rights and information, as we witnessed here today, and heard from her here today, that is an outrage. That outrage will be felt across the land over the next 2 weeks.

THE CONTESTED ELECTION IN CALIFORNIA'S 46TH DISTRICT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CUNNINGHAM) is recognized for 5 minutes.

Mr. CUNNINGHAM. Mr. Speaker, the last gentleman who spoke in the well states his own opinions as fact. The gentleman is factually challenged. Let me go with some specifics.

First of all, it is a fact that every voter was looked at, not by surname, but every single voter. I am of Irish descent, but I would want to make sure that every voter that voted, whether they are Irish or of any ethnic background, had a legal right to do that. That is the issue.

They cannot win over the majority based on issues. They want bigger government, they want higher taxes, they want big government control. They do not want a balanced budget. They do not want tax relief. They want a centralized Federal Government. So what do they do? They try to scare up the minorities to think the Republicans are going after them. Every single voter was looked at, not by surname. That is incorrect.

Second, for 7 months, 7 months, they refused to comply with subpoenas both from an individual, Mr. Dornan, which the Supreme Court held up, or from the committee. So now they are even bucking the Supreme Court decision to comply with the subpoenas.

What were the subpoenas for? To find out the information, to find out the facts. Seven months, and it went into 8 months, and now they are saying a year is too long. Yes, it is too long. If we would have been able to get the facts, then it would have been over by now.

The rights of the gentlewoman from California (Ms. SANCHEZ), her rights have not been violated. She is a sitting member of this committee and of this House. But until we find out the facts, and from the facts that have been found, there was fraud. That is fact. It is documented. It is documented over and over and over again. The amount of fraud is the question. We have facts and we have figures that were delivered to the minority and to the committee. All we are asking before we go forward is to make sure that the State verifies the facts. We will live with those facts if they are verified, or not. That is the question.

But yet the gentleman over there, they cannot win, so what do they want to do? They want to scare people with surnames, to think that the Republicans are bad people, so they can take over a majority. Well, it is not going to work, because they are smarter than that, Mr. Speaker. I resent, I resent the racist implication. I resent the other side of the aisle making this a racist issue.

The issue is that every single American, as few of them that show up at the polls, want to know that their vote counts, that it is not being canceled out by someone that is not qualified to vote. That is the issue. It is not just in California, it is in Texas, it is in Arizona, it is in every State of the Union. This is bigger than Dornan and bigger than Sanchez.

This is that the American people want to know that their rights count, and that it is not going to be taken away by someone that is fraudulently voting. They do not want that. They want to win at any means, whether it is the DNC taking money from Charlie Huang and Trie and Riady and Chinese money, or the Vice President doing Buddhist monk fund-raisers and the money going to DNC, or whether it is from illegal contributions from the Teamsters, who two people have already pled guilty of laundering money to the DNC for campaigns for the Democrats. They do not want us to know that.

All we are doing is asking, when people go to vote, they want to know that the campaign laws are upheld and not violated, and that someone that wants to vote, their vote counts. I do not care if it is an Irish American that is voting that should not be, or someone from Ireland that is a citizen, that vote should not count and that individual should be taken a look at.

Another fact, the State—the alleged fraud, where the gentleman said, show us the fraud, we have. There is fraud. One liberal group alone had over 300 votes verified, documented by the State. That is why we are asking for these others. The other thousands of votes and fraudulent, allegedly fraudulent votes, we are asking the State to verify that. That is fair, Mr. Speaker. There is nothing racist about that. Guess what, they are not by surname. They are not by any surname. They are looking at every single vote.

□ 2015

But yet my colleague on the other side would like you to think, so he can get the support of certain minorities in his own election and other Democrat elections so they can retake the majority. But yet they will not support a balanced budget, they will not support tax reform. They will not support welfare reform. They cannot win on the issues, so they will play the ''R'' word, and I resent that, Mr. Speaker.

Mr. Speaker, I had not planned on speaking about that. I was going to speak with the gentleman from Michigan [Mr. HOEKSTRA] on education, which I will continue to do. But I cannot sit here and let facts be disillusioned before this body, the challenged facts go uncontested, because they are wrong and they are incorrect.

REPUBLICAN VISION FOR AMERICAN EDUCATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, I would be more than willing to engage the gentleman from California [Mr. CUNNINGHAM], but only on one condition. The gentleman has got to get the name right. It is not ''HOCK-STRA'' it is ''Hoekstra.'' If the gentleman wants to start tonight and talk a little bit about education, that would be fine with me if he would like to go first.

Mr. CUNNINGHAM. Mr. Speaker, I would like to, first of all, thank the gentleman, who is the chairman of the Subcommittee on Oversight. I think it is fair to take a look at the education programs to see if they are good or they are not. A good example is the President wanted a $3 billion new literacy program. We failed, were last of the industrial nations in literacy here in the United States of America. The President wanted a $3 billion literacy program. It sounds good. But there are 14 literacy programs within the Federal Government. Title I is one of those. I would think it would be fair to look and say which of the 14 are good? Can we take one or two, get rid of all the bureaucracies, all the pay for all of those staffs and all of those buildings and focus and say, that is wasted money? Let us put the money in the one or two programs that really work.

Mr. Speaker, if it is title I, fund it. But do it fully instead of just halfway doing it. And the gentleman from Michigan [Mr. HOEKSTRA], and the gentleman from California [Mr. RIGGS] and the gentleman from Pennsylvania [Mr. GOODLING] are doing that. They are going through the over 760 programs, now, and identifying which are correct

and which ones that we should absolutely support.

But my colleagues on the other side of the aisle would demagogue to say well, the Republicans are cutting education if they eliminate those programs, even though we are getting more money down to the classroom and to the Zip Code.

Mr. Speaker, I would say this, that this last weekend I attended public school teachers' outstanding teachers in San Diego County. I saw parents lauding those public teachers. I saw children lauding their teachers like we would want. I was a teacher myself in high school, and a coach. I was a college teacher and a coach and a dean of a college. My children went through public schools. I still have a daughter in a public school, a sophomore. I truly believe that one of the keys for this great country is a solid public education program and the investment in that.

But is it not fair, Mr. Speaker, to ask what programs that we can put into those school systems and fully fund and the Jaime Escalantes of this country to encourage teachers and pay teachers finally what they are worth, instead of paying some bureaucrat in Washington, D.C. that is wasting the money?

The average is less than 48 cents per dollar that gets down to the classroom. Is it not fair to say we want at least 90 percent, which this body is going to have a chance to vote on? We want 90 percent of the money from the Federal Government to go to the classroom.

Mr. HOEKSTRA. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. Certainly I will yield to the gentleman.

Mr. HOEKSTRA. Mr. Speaker, I think this is really an important point, that what the gentleman is saying here, and this is one of the numbers we are trying to get a handle on and I thought it was closer to 60, either one of which is not very good. But what the gentleman is saying is the GAO study, our work on the committee says maybe it is 60 cents but for every dollar that comes out of our hometown that comes to Washington and then leaves here in the form of an education dollar, that of the dollar that comes here somewhere between 52 cents, 40 to 52 cents never leaves here.

So a dollar that comes here; only between 48 cents and 60 cents actually gets back to what we have found is the most effective place for education, which is in the classroom with the teacher under parental and local control. That is the leverage point, that somewhere we lose almost half of every education dollar here in Washington.

Next week, the gentleman from California is absolutely right, we are going to have that debate here on the floor where a resolution that says our vision for the future is that at most for every dollar that comes to Washington, only 10 cents stays here and 90 cents—well, actually only 10 cents is lost between Washington and the classroom, which means the State bureaucracies and that. We want to get 90 cents to the teacher who knows my child's name, and into the classroom where my child sits in the school that is run by the school board that we elect. That is where we want to get the money to.

Mr. SHADEGG. Mr. Speaker, if the gentleman would yield, I compliment the gentleman for his work in this area. He came to Phoenix, Arizona, to my hometown and held a hearing, ''Education at the Crossroads: What works and what doesn't?'' And I also thank my colleague from California for joining us in this effort.

Mr. Speaker, I have to tell my colleagues that I feel an immense sense of urgency tonight on the topic that we are talking about; that is, education and the whole question of getting money into the classroom, because right now there is a grave threat posed to education in America. It is a feel-good, sound-good idea called national testing.

It is this idea that we ought to adopt in America a single reading test for every fourth grader in America, and a single reading test for every eighth grader in America. It is a proposal that the President made on the floor of this House in his State of the Union speech last January which, as the gentleman I know already knows, the President has already implemented. That is, he created a test panel and has written that test.

Now, a lot of my colleagues in Arizona say, and my friends at home say, ''Well, Congressman, what is wrong with national testing? Why are you so impassioned in your opposition to national testing and why am I concerned about it here tonight?'' Let me explain that. There is a simple concept: What is tested is what will be taught.

Mr. Speaker, I have an 11-year-old son in Arizona, Stephen, and a 15-year-old daughter, about to turn 16 and to start driving, and what they are tested on throughout their education careers has been what they were taught; that is, their teachers, because they want them to perform well, have gone out and ahead of time learned what is on the tests that they will take each year and made sure that they are taught what will be on those tests.

What that means is that if we let this idea of a single national test written in Washington, D.C., thousands of miles from the teacher in Phoenix, Arizona, who knows my son Stephen's name or my daughter Courtney's name, if we let that test be written in Washington, D.C., hundreds of layers of bureaucrats from the administrators in my children's school or the parents in my neighborhood or the parents in the gentleman's neighborhood in Michigan or the gentleman's neighborhood in California, if we let them write that test in Washington, D.C., we will have ceded control over much of the content of education to Washington, D.C.

Mr. Speaker, that I believe is a severe disaster and the Senate is on the verge of doing it. I hope people will watch tonight and call the Senate and do something about it and urge them not to allow it to happen.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, I think the gentleman brings up a very important point. Whether we are talking about dollars, which is what my colleague from California and I started talking about, whether we are talking about testing, whether we are talking about curriculum, we are talking about where is the focal point and where is the decision-making for education? Are we going to move it to bureaucrats here in Washington?

That is exactly what has happened with this testing. We know that we lose somewhere between 40 and 50 cents of every dollar to bureaucrats here in Washington. Was that test written with the Governor of Colorado?

Mr. SHADEGG. No.

Mr. HOEKSTRA. California?

Mr. SHADEGG. No.

Mr. HOEKSTRA. Arizona?

Mr. SHADEGG. No.

Mr. HOEKSTRA. Michigan?

Mr. SHADEGG. No.

Mr. HOEKSTRA. Were they involved?

Mr. SHADEGG. How about the parents?

Mr. HOEKSTRA. No, parents were not involved.

Mr. CUNNINGHAM. How about the teachers? Were the teachers involved?

Mr. HOEKSTRA. No, I do not think so. What we have is we have a group of people here in Washington, and you have some other interesting statistics on tests, but the people here in Washington who developed the test that they expect to work in Holland, Michigan, that they expect to work in San Diego, that they expect to work in Fort COLLINS, is that where my colleague from Colorado is from? Close?

Mr. BOB SCHAFFER of Colorado. Absolutely, Fort Collins.

Mr. HOEKSTRA. Phoenix? It is a very different approach. The Clinton administration has said: We know best and we want to take over education.

Mr. Speaker, here is where Republicans have been. Here is where we have been on our Crossroads project. We have been to Milwaukee, New York, actually twice, Chicago twice, we have been to Napa, California. We have been to San Fernando, California; Phoenix; Wilmington, Delaware; Milledgeville, Georgia; the Bronx, Cincinnati; Louisville; Little Rock; Cleveland; Muskegon Heights, Michigan. We are going to Iowa. We are going to Texas.

Mr. CUNNINGHAM. Mr. Riggs has been in San Diego.

Mr. HOEKSTRA. Mr. Riggs has been in San Diego. We are going to go to Colorado. Number one, we are going to parents and teachers. We have had over 25 educational institutions and hearings that we have visited; 174 grassroots witnesses. They are testifying about their schools, their teachers, and their kids in their hometowns. So we are hearing and we are finding that we

feed parental control, we need a focus on basic academics, and we need to get dollars in the classroom.

Mr. Speaker, I will yield to the gentleman from California because I miss him on the committee. I do not know if he went on to bigger and better things, but he was a great colleague on the committee.

Mr. CUNNINGHAM. Well, I am on the Committee on Appropriations and the Committee on National Security, and my two passions are national security and education, and I am trying to get on that committee in Appropriations so I can support the authorizors.

Mr. HOEKSTRA. Mr. Speaker, we would love to have the gentleman back.

Mr. CUNNINGHAM. Mr. Speaker, if we take this dollar and we only have half of it—and I carried this dollar for 40 years because of a lesson that my father taught me, I am not going to get into that today. But if we take half of this dollar and leave it here in Washington, then we are cutting education. That is what has been happening. The liberals that claim that they support education are actually cutting education every single day.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman would yield, and what are we trying to do with that dollar?

Mr. CUNNINGHAM. Mr. Speaker, we are trying to get 90 percent of this dollar down to the Zip Code to where parents, teachers, local administrators, and the community, and I would say family as well, because there are grandparents that want to invest in their children.

Mr. HOEKSTRA. Mr. Speaker, I ask the gentleman, how do some of our colleagues describe trying to consolidate programs, get rid of red tape, empower parents and local school boards, and get the money back to the local school?

Mr. CUNNINGHAM. Mr. Speaker, they demagogue and say it is a cut. A classic example: Last year the President's direct lending program cost $3 billion to administer, another $4 billion to collect. GAO study. That was when it was capped at 10 percent.

Mr. HOEKSTRA. But good news on the direct loan program. Right? We had to shut it down this year because they cannot consolidate the loans. I did not bring it with me, oh, I do have it with me. A letter from 75 college students who want to consolidate their loans. What does this mean? It means they are going to take all of their loans that they have gotten for education and put it in one payment. A novel idea?

Mr. CUNNINGHAM. Mr. Speaker, if I could just finish one thought on it on how we are wasting money for education. That was at 10 percent. When the government shut down the President said he wanted 100 percent of student loans to come out of the government. He wanted government control, bigger bureaucracy. I wanted zero. The leadership decided to let it go to 40 percent so the government could go back. I disagreed.

What they did not see is that we put about six little words in there that saved the money going to the bureaucracy. Did we cut $10 billion? What did we do with the money? We increased Pell grant the highest level ever. Special education, it is called the IDEA program. We passed that bill. The President signed it and we got more money there.

We increased student loans by 50 percent. But when the gentleman says what do they do, they demagogue and say we are cutting. What we are doing is cutting, whether it is the 13 programs in literacy to focus all the money on the one that works or whether it is on direct lending or whether it is on AmeriCorps or whatever it is. We are trying to get the money to the education process.

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I thank the gentleman.

Mr. SHADEGG. Mr. Speaker, if the gentleman will continue to yield, I want to make a quick point about the issue of money in the classroom and the point you make rather eloquently, about only half of that dollar getting back home to the classroom.

I hope people understand that when some of us rail against the concept of national testing, they understand that the President did not come forward with a bill proposing national testing in which he suggested that the Congress study the issue and implement legislation. He did not seek dollars being appropriated for national testing. He is doing this all on his own.

He will, if we do not stop him in a vote next week, he will pull money out of everywhere else in the Federal Department of Education budget, monies allocated for other purposes, part of that 50 cents that stays here in Washington, he is going to pull off and give to implement national testing.

I believe our children are tested and tested and tested. And I would like to see, as you both would, that 90 cents out of every dollar get back to the classroom. But it is not going to get back to the classroom if the President is able next week to go forward with his national testing program where he will take another 5, 10 or 15 or 20 cents out of each of those dollars and allocate it to a national test written in Washington, D.C. that you and I do not get to control and that the parents and the teachers and students and the administrators in our school districts do not get to control.

He is going to nationalize testing and use those scarce dollars.

Mr. CUNNINGHAM. Which we will have to increase taxes to pay for.

Mr. HOEKSTRA. You bring up a couple of good points. The President has not involved parents, teachers, administrators, governors, as a matter of fact, the President has not even involved Congress. We are going to embark on national testing and it is going to be one branch of government, a few elitist bureaucrats who have developed a test for all of our kids. And we are not even a part of that process.

Mr. SHADEGG. That test will drive the education agenda in America. The handful of textbook publishers in this country who write our students textbooks will write that national test. Can you imagine the amalgamation of power in this small little committee that the President appointed to write this one test and he did an end run around the Congress?

Mr. HOEKSTRA. When you are bringing that out, the testing or whatever it is and the 90 cents of the dollar, I think my colleague from California will agree, we want that 90 cents to go to a local school district, but we want to give them a lot of flexibility as to what they do with it. We do not want to give them 90 cents and then give them a three-ring binder and say, here is how you spend it. We want the parents and local school administrators and local teachers to say, we have got great facilities. We need more computers or we need to invest in books or educational training or whatever.

I yield to the gentleman from Colorado, Mr. BOB SCHAFFER, who has a great passion for this issue, is on the committee with us, and has really been helpful in us getting some work done in this area.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I am grateful that the gentleman is raising this issue of national testing and the Clinton administration's effort to try to centralize testing here in Washington, D.C. and in fact erode the ability of States and local communities to determine quality on their own terms and their own standards.

I hope people will think of this national testing debate in those terms, because we are not opposed to establishing a national quality standard for measurement of education. We are very much in favor of that. The question on national testing, as the Clinton administration proposes, is one of independence, which we do enjoy today. Independent national testing is a good thing, private organizations, private associations, private panels, private boards that are independent of the government measuring quality throughout the country. That gives us a better idea of how schools in Michigan compare to schools in Colorado that compare to schools in California and so on.

But what the Clinton administration is talking about is something entirely different. And what they are suggesting is that independent measures of quality should be pushed aside, that we should forget about independent measures of quality and instead go to the Clinton model of government defining quality of education for the American people.

Mr. HOEKSTRA. I thank my colleague and, just for a moment, yield again to the gentleman from Arizona [Mr. SHADEGG] who has a great definition because, remember, if it is national testing from the Federal Government, you really will not have an

option as to whether to take it or not. If there are independent testing organizations out there, which there are, schools can pick which one is the best for their schools, which they think is the most appropriate that actually tests knowledge.

My colleague from Arizona has a wonderful example, I believe that is what you are holding up, is how the Federal Government in their new testing program or at least one of the people involved in this defines quality in the types of things we should test. I believe it is in math. Is that what you have there?

Mr. SHADEGG. I do have it here. That is exactly the point. I want to raise a couple of comments.

First of all, my colleague from Colorado is exactly right. It is not that we oppose the ability of people in Arizona or Colorado to compare how our schools are doing with other schools in Michigan or California. And there are tests to do that right now. Two of the best that we all have heard of are the Iowa test of basic skills, which I know I took and my children take, and the Stanford test. Those are independent, privately written national tests which enable us to compare how schools in our neighborhoods are doing or our States are doing with schools halfway across the country.

There are tests to do that and there should be. We support that.

But as my colleague has pointed out, the Clinton proposal is not that we just have the ability to compare. It is that we have the one Federal, correct, written-in-Washington, D.C., written-inside-the-Department-of-Education test and that is where it gets quite scary.

Mr. HOEKSTRA. Tell us about the math test. This is the kind of math test that I think, actually this is the kind of math test that bureaucrats would give to bureaucrats, is that not correct?

Mr. SHADEGG. There is no doubt about it. It is a wonderful, feel good math test. My colleague on the other side [Senator ASHCROFT] who is fighting this fight against national testing, points out that it is really the rain forest test, because they ask children more questions about rain forests than they do about their ability to do math.

This, in fact, is the national test in both reading and math as proposed by the national test panel proposed and established by President Clinton. The test is already written and, by the way, my colleague said being talked about by the Clinton administration, the sad truth is, it is not just being talked about, it is about to be implemented. They are ready to go.

But the wonderful thing about this test is that you discover, when you examine it, that in the eighth grade test for math, there is not, I want to say this carefully and slowly so people follow it, there is not one single question which requires eighth graders to do a math computation with a pen and pencil. At no point in the eighth grade math test already written is there a single question where they are to do a multiplication problem with a pen and pencil or a division problem with a pen and pencil. There is not one single question. Why is that?

It appears that one of the people on this committee, a Mr. Steven Leinwand, a consultant to the Connecticut Education Department, has written a paper and his school of thought has been adopted by the National Association of Mathematics Teachers. And his school of thought is as follows. It is, he writes, downright dangerous to teach children that 6 times 7 is 42. It is dangerous, he says, to teach them basic computational math skills.

Why, you say, does he consider it dangerous? He says it is dangerous, and I quote, because it will annoint the few to master these subjects and, quote, cast out the many who fail to do so.

First of all, the pessimism in that statement is monumental. I think American children can learn math calculations and do learn them every day. But what he is fundamentally saying is that because some children may not master the multiplication tables, the division tables, may not be able to do a complicated division problem or a complicated multiplication problem, they will feel bad. And we do not want them to feel bad so we should not give them a test that requires them to master those skills.

That is in the national math test which the Clinton administration has written and which will be imposed on America if the Congress does not stop it. It needs to do that next week, and we need, really, the help of our friends in the U.S. Senate; 295 of our colleagues in the House here voted to block national testing as proposed by Bill Clinton. Unfortunately, the House wants to compromise on this issue and let a committee be appointed to write a single national test.

Mr. HOEKSTRA. I am not sure the House wants to compromise. I think the Senate maybe wants to compromise. I think my friend from California has something to say on this issue.

Mr. CUNNINGHAM. Not specifically on this issue. You can see on education, when we had the hearings in the 104th, we had eight of them, and the main concern from industry, small business, unions and major business was that children coming out of our school systems could not qualify for an entry level job because they could not read, they could not write, they did not have the math skills. They did not have the high technology or they could not speak the English language.

We are last, of the 15 industrialized nations, on all core courses. That is a legacy we have been left from a liberal education system. Not only cutting it, but the money that we get there, the teachers are not paid properly. My wife has a doctorate degree in education. She has a master's in education. She has a master's in business. She is bilingual in Spanish. Her sister is in public education, special education program. So I know there are good programs and good teachers out there.

But what do we want to do? Because, A, there is less than 12 percent of the classrooms have even a single phone jack to upgrade them for the 21st century. They are operating in the 1950s. And even the good skilled schools do not have the computer facilities to help the kids to learn, to get ready for jobs. What I would say, and I would like to go through just a few of these, it will take me one minute, no more.

Number one, we have mentioned, to review the 760 programs. Number two, drive 90 percent of the money down to the classroom. A State bureaucracy is just as bad as a Federal bureaucracy. We want to give flexibility. I do not think we ought to tax work. We ought to tax savings, but tax consumption, different issue. But at least we ought to be able to give someone that wants to save for education not to have to pay tax on that for their children. That is an investment. We do think that.

Welfare reform, I think that is going to help. Every child should be able to read the English language by the third grade. There is no such thing as bilingual education. There are over 360 different languages out there. But every child by the third grade should be able to read in the English language and to be able to speak it.

I would say that we ought to incentivize. Of all the good schools that we do have out there, I would ask the gentleman, would you send your children to the worst? No. You would not. And we would say that the people that are trapped in that system want the same right that you do, that I do, that the President has. If their children are in a crime-ridden, drug-infested school or the teachers cannot even read their own readers, in some cases that has happened, it exists today, then that parent should be able to choose, with parental choice, where that child goes to school.

These are just a few of the initiatives that we think that we are being prohibited because of the unions. When the gentleman made a statement the other day about the unions, I happened to agree with you. If you look at Karl Marx' Communist manifesto and take a look at where the folks that want all the power to reside in the government, whether it is health care, whether it is education or whatever it is, in that manifesto it talks about the establishment of unions that will support the government because government will have the power.

If you look at the union bosses, and I say that because 30 percent of the unions are Republicans, 10 percent are independents, but yet the union bosses, like the Communist manifesto, want all the power in Washington so that they will have power. That is what is inhibiting us from going. I happen to agree with the gentleman's statement.

Mr. HOEKSTRA. Mr. Speaker, reclaiming my time, I want to reinforce a couple things. The gentleman has brought up the term 760. Where does 760 come from? What we did, as part of the crossroads hearings, we went around the country, and we also asked the question in Washington, as to how many education programs are there. We went to OMB. We went to a couple of different places in the executive branch, and they came back and said, there are roughly 760 programs.

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We said, that is interesting, that sounds like a lot. We asked for these programs typically to move the money from Washington back to the State, what kind of process does it have to go through. 487 steps. No wonder we lose 40 to 50 cents. No wonder 40 to 50 cents of every education dollar that comes from Colorado, for every dollar that comes, only 50 cents makes it back to Fort Collins. I do not think that is good enough for Colorado. I think the people in Colorado at the local level, those parents and those teachers know how to improve their schools better than somebody from Washington who has never been in Colorado.

Mr. BOB SCHAFFER of Colorado. The gentleman is absolutely correct. I try to characterize my education goals and those of the Republican Congress in the following ways. First, we focus on treating parents like real customers. Secondly, we focus on treating teachers like real professionals. The third thing we talk about is the liberty to learn. And then fourth, the freedom to teach. Let me talk about the one we are addressing at the moment.

Mr. HOEKSTRA. If the gentleman will yield for just a second, some people might call that radical, is that correct?

Mr. BOB SCHAFFER of Colorado. I have been accused of that on occasion. I refer to that as the empire striking back.

Mr. HOEKSTRA. Think of that. Empowering parents and teachers and all of that, some people in this Washington establishment down the road believe that that is a radical idea.

Mr. SHADEGG. Taking this one step further, they accuse us, those who support nationalized testing and support really federalizing this whole issue say that we are anti-education because we support empowering teachers. They say we are anti-education because we support empowering parents. They say we are anti-education because we support empowering local school boards and local schools to do what they know how to do best. That makes us anti-education? It is mind-boggling.

Mr. HOEKSTRA. He has got some great ideas on what to do on education, yielding back to our friend from Colorado.

Mr. BOB SCHAFFER of Colorado. The gentleman is precisely right when he stated before that in Colorado, as in any State, that it is the local teachers, the local principals, the local school board members and state legislators and parents, I do not want to leave out parents certainly, but those are the individuals that have the best ideas on what kind of reform needs to take place in order to improve the quality of education for their children.

National testing really places a damper on education improvement. I will tell my colleagues why. It goes back to the comment I made earlier about allowing the government to take over the role of defining quality. When we talk about liberty to learn as a Republican majority in Congress and our approach to reforming schools, what we are really speaking about is creating an education marketplace where intellectual ideas are free to be used and picked up or left behind by those who have different ideas about which educational setting is in the best interests of their children. When we talk about the exchange of ideas, when we talk about the creation of economic opportunity through learning, in an education marketplace it means that you or I as parents have the opportunity to pick the school that best meets the needs of our child.

That really is at the heart of every initiative that we have discussed on this floor over the course of the last 3 weeks when it comes to improving the quality of schools. Liberating parents, liberating teachers, liberating States to pursue education excellence on their terms. What happens when we give the government the authority to define quality is you really do constrain the ability of the customers to define quality. If we look to any other industry in America, all of the great industries that we have that are the best in the world, they are so because of competitiveness. They are so because of a marketplace that they compete in. They compete to do the best, to offer the greatest quality, the greatest amount of convenience and the lowest cost.

Mr. HOEKSTRA. For those companies, who defines excellence?

Mr. BOB SCHAFFER of Colorado. It is the customer. It is the customer.

Mr. HOEKSTRA. Who do we want to have in education define excellence?

Mr. BOB SCHAFFER of Colorado. We want the parents, the customers, to define the quality. There are national tests, we mentioned before. The Clinton administration wants the government to establish a national test that will define quality. But I would submit that there are indicators upon indicators that tell you whether your local school district is succeeding or failing. If you look at things like the graduation rate, the dropout rate, if you look at things like the placement rate of students who graduate and go on to become gainfully employed or pursue higher education or serve in our armed services, whatever the case is, you have a whole battery of independent national tests. You have State tests that compare district to district and so on. All of those independent indicators are the kinds of places that parents look to define quality. I want to give one specific example in my district. I raise this example because those who oppose parental choice in education, treating parents like customers, frequently say that if you really let parents choose which school to send their children to, that the public schools will somehow fail to meet the test and stay in the arena.

I refute that idea and offer the following example. A very good friend of mine, Anita Greeb in Fort Collins, Colorado recently wrote a letter to the editor in the local Fort Collins newspaper. What she discussed was her choice to move her child to 3 different education settings in my school district in my community. She was dissatisfied with school A, the first school. She moved her child to a charter school, a charter school that I helped create. She decided she was not satisfied with the quality of education in the classroom that her child was a part of and she moved her child to a third school, school C, a traditional public school setting with the teacher devoted to meeting the demands of that particular parent. My point again being this: School choice does a couple of things. It allows a parent to play a meaningful role in picking the right place for their child. That parent who cares about her child in this case, more than anybody else. She chose a traditional K–12 public school setting, the very kind of setting that many people believe will go away if we allow school choice. The second thing, though, that it does is it resulted in a lengthy letter to the local newspaper where she named names, she named the specific schools, she gave the specific reasons why she was dissatisfied with the first two options and the specific reasons why she gravitated toward the third.

When we have parents in communities being vocal about defining quality in their neighborhoods, we have won the battle. That is the goal of public school choice, parental choice, allowing parents to define the terms of quality on their terms in a persuasive, meaningful way rather than turning that authority over here to Bill Clinton and the U.S. Department of Education. That is the core element of this debate on national testing, whether we allow Anita Greeb out in Fort COLLINS, Colorado to define quality for her and her child or whether we take that authority from her, confiscate that authority from her and give it to the Clinton White House and to the U.S. Department of Education so far removed from the home and the child and the school district that Anita cares so much about out in our community.

Mr. HOEKSTRA. That is really what we have found as we have gone around the country, is that when you empower parents, you have parents defining quality. The other thing that happens, it is kind of interesting, it happens in the private sector as well. When customers are defining quality, the people

that are manufacturing or producing the product pay more attention to the customer and involve the customer in the process. What we find is that when you empower parents, you empower them in a number of ways, to choose, but also what you find out is that it fosters an environment that empowers parents and teachers and administrators to come together and to get a more common vision for their school and identify the school's role, the teacher's role and the parent's role. You actually get a consensus of where you want to go. The empowerment of parents, I think we saw that in Phoenix when we were there, we have seen the same development in California with charter schools. We are seeing it in Michigan with more public school choice. The atmosphere I think raises all of the schools up, traditional public schools. I have got a great example of a public school that is performing, I have got a lot of them in my district but one is kind of personal to me. They did very well in the State Science Olympiad. Some of you may remember at one time I had more hair on my face than I did on my head but they did very well in the State Science Olympiad. It is a traditional public school. I met with them, we kind of celebrated their success at the State Science Olympiad and I told them that you are going to go to the National Science Olympiad, they were smarter than I was because they are competing against 6,000 schools on a nationwide basis, that if you win the National Science Olympiad, you can shave off my beard.

Obviously, they won the National Science Olympiad and so we can have excellence in all different formats of schools. We are not saying charters. A lot of the stuff that we are seeing a lot of States experimenting, vouchers, charters, tax credits. There is not a silver bullet, one answer. There are lots of things that we can do and that is empowering parents, dollars in the classroom, basic academics. The more we move in that direction, the better off we are going to be.

Mr. SHADEGG. I think the gentleman is right. There is clearly not a single bullet but we have ascertained some basic facts. One of those is that the more parental involvement you have, the better the school. The more you empower parents, the more you empower the teachers and the administrators at that school to control that school and to seize its direction, the better an education we produce.

Mr. HOEKSTRA. We saw that in Arizona when we went to, I do not remember the name of the school but we went to one of the gentleman's charter schools, we have seen it in the public schools as we have gone around, in all the different kinds of schools, the schools that are doing well, you go into the school and you go into the classroom and you can feel an energy. Parents are there. They are at our hearings, they are asking questions, they are contributing, the teachers are there, the kids are pumped, the administrators, but the thing that they all have in common, they feel ownership of that school. They are proud of it.

Mr. SHADEGG. That is why I think that America would be in open revolt. There would be an outcry across this country if people understood that that kind of parental control of their local school was about to be stolen away by a one-size-fits-all Washington, D.C. written national test. I want to make a couple of quick points. I pointed out that this education consultant was a part of a group called the National Council of Teachers of Mathematics and that he wrote it is downright dangerous to teach kids math calculations. There are a couple of quotes that I want to read from him to show how radical the people who will influence this test are.

Mr. HOEKSTRA. Explain this. This is the guy that was part of the group that developed what may or may not be a national test, correct?

Mr. SHADEGG. He is listed in this book as one of the experts who helped write the test which the Clinton administration will begin to implement next year in America if it can or the year after that if the Congress does not block them.

Mr. HOEKSTRA. Has the gentleman from Colorado, Mr. BOB SCHAFFER, had more involvement in that test than the gentleman from Arizona, Mr. SHADEGG, is talking about?

Mr. BOB SCHAFFER of Colorado. I have far less.

Mr. HOEKSTRA. Has the gentleman from California Mr. CUNNINGHAM?

Mr. CUNNINGHAM. Let me give another classic example of where the Federal Government can run amok in writing standards or tests. The ranking minority member, he was my chairman when the Democrats were in the majority and then he became my ranking member when I was chairman of the committee when we took over in 1994 the majority. But he was outraged as a history teacher for the Federal Government producing history standards that spoke more on Madonna than they did the Magna Carta. They demonized veterans and liberalized hippies and liberals in different fields. They demonized in another area the Enola Gay which is right up here in a museum, they demonized American veterans and our military and wanted to apologize to Japan which caused many, many deaths. The gentleman from Texas, Mr. SAM JOHNSON, got that particular individual fired. But when the government takes over, they want their liberal agenda to fit into these exams. That is the whole difference. We want to empower the parents, the teachers, the local communities and the families to empower them to establish what is important to them, not some liberal bureaucrat here in Washington, D.C.

Mr. HOEKSTRA. The real difference here is when you empower local communities and parents, the standards reflect community standards. When you empower bureaucrats here in Washington, you get an agenda from Washington that they are trying to impose on communities around the country. It is bottom up versus top down. We are in favor of bottom up.

Mr. CUNNINGHAM. If I could just finish this one thought, that recently, this month, they did an exam, international exam. The United States was 28th in math skills, internationally, that we score 15 of 15 industrialized nations in almost all core courses. So is there an emergency? Yes. We want more than 50 cents on a dollar down to the classroom. We want local parents and teachers to take care and support, we want the dollars to upgrade the classroom instead of bureaucracies back here. So that everything we are talking about, the other side demonizes as radical. It is not radical to empower people. What is radical under a socialist communist government is to take that power away from the people and put it in the hands of the government alone.

Mr. HOEKSTRA. We do not want to lose one child. We want to give every child the opportunity to develop their full skills.

Mr. SHADEGG. The gentleman makes an excellent point. That is, that just a few years ago, we witnessed an attempt by the Federal Government to impose national standards for education. Only we discovered that their standards taught that our veterans were evil, their history standards taught that great leaders like ABRAHAM Lincoln and George Washington were in fact evil. So the President in this latest effort to nationalize education has said, well, we will not do subjective topics like history or social studies, we will do objective, that is, those subjects we can all agree, objective subjects like mathematics.

□ 2100

Except that we discover that it is not objective, because, and there are really two points I want to make here, one is it is not objective because you and I and all Americans, I think, would agree that we ought to teach children that 6 times 7 is 42, but this test has been taken over by people that believe it is, and I quoted earlier, downright dangerous to teach children that 6 times 7 is 42. So they are radicalizing even an objective subject like math.

I want to read you one or more of these quotes in a few minutes here. One quick quote from Mr. Leinwand, this education expert. ''But none of these larger social issues,'' he writes, ''is as compelling as what we know about the sense of failure and pain unnecessarily imposed on hundreds of thousands of students in the name of mastering these obsolete procedures.''

The obsolete procedures he is talking about are computational math skills. He goes on and writes, ''A few short years ago, we had no alternative to pencil and paper computation. A few

short years ago we could even justify the pain and frustration we witnessed in our classrooms as necessary parts of learning what were then important skills. Today there are alternatives. There is no honest way to justify, he writes, no honest way to justify the psychic toll it takes to teach children to do calculations that involve simple math, that is, multiplication and division.'' ''That,'' he says, ''imposes a psychic toll and we shouldn't do it.''

I suggest in Japan and Germany, and elsewhere around the world, with whom our children in the next generation will have to compete, they are drilling their children on those same basic computational skills.

The other point is we are going to move away from them if we adopt a national test, if we do not block it next week and get the help of the United States Senate in blocking the President next week.

But I want to make one other point. You asked my colleague from Colorado what input he had had on the test, and he said none. I have had no input on the test, and you have had no input on the test. But, more importantly, the parents and the teachers and the administrators and even the students in the schools in my neighborhood or your neighborhood or their neighborhoods across America have not had any input.

I want to talk about one gentleman that had some input. I mentioned the test was written as Mathematics Committee Recommendations to the National Test Panel. There is a national test panel.

One gentleman on that panel, Alan Wurtzel, wrote a letter of objection. He said wait. This test is a mistake. This test does not test basic math skills. He dissented, and he wrote, quoting from his letter of September 25th, ''The test assumes that by the 8th grade, children can do basic arithmetic, including addition, subtraction, multiplication and division of whole numbers, decimals, and common fractions by hand.''

This is the guy they got to write the test. He had input. He goes on to say, ''The problem is that this assumption is all too often unjustified.'' Then he goes on and writes about a personal experience where he was talking to the others on the panel that wrote the test.

''As I told the panel, we used to test cashiers at Circuit City to determine if they could calculate the change due on a sale. So many were unable to do so, that we gave up.''

He goes on and writes, ''We have got to include in this test basic math skills.'' He is pleading as one of the panel members to include in the test basic math skills, and his ideas have been rejected.

A single test written in Washington will not include the views of the parents and teachers in our schools, and, for that reason, it will nationalize the curriculum and leave America's education behind the rest of the world.

Mr. HOEKSTRA. If the gentleman will yield, one of the places we have had hearings this past year is we had hearings in the State of Delaware. Delaware is the size of one Congressional district. We have 16 in Michigan, 54 in California, or whatever it is, or 52.

But in Delaware, the State of Delaware, they wanted to develop a statewide test, and they used the right process. They started with parents, teachers, local administrators, and it took them three years. They are now to the point where they believe they have a test that is testing the kind of skills that they believe need to be tested.

They have got parental input. What happens when you take a test? They get a score. Who finds out about the score? The kids and parents. What happens if the test is not validated with the parents? They say this test is all wrong, and you end up wasting it.

These guys here in the administration developed a national test with no involvement. They sat in an ivory tower somewhere and developed it in what, six or seven months, and they think they are going to apply it to Arizona, California, Michigan, New York, and what do you think the people in Colorado are going to say?

Mr. SCHAEFER. They will reject it, certainly, because it stands in the way of the local efforts that we have made to establish quality on local terms.

If I can, let me jump for a moment to the bureaucrats who write these tests that we are talking about, the national tests. What they understand is that conflict and controversy within their ranks does not compel public cash. It does not secure the taxpayers' cash for their efforts.

If they can come to the White House, to the President, with a package they have all agreed on in their closed rooms and secret little settings, and come to the White House and say, you know, all of us bureaucrats agree on this particular test, they get the Clinton Administration and the U.S. Department of Education to back them and to move boldly ahead in trying to secure the public money necessary to move these ideas forward.

That is what you see here. That is why a singular idea with this goofy notion on math, for example, that you should not challenge children to do simple computations, that is how a goofy idea like that is able to move forward in the Clinton Administration, because bureaucrats understand if you challenge another bureaucrat, if you embarrass a bureaucratic colleague, that the money goes away, that the American taxpayers lose confidence, they will not spend their cash on those kind of experiments with our children.

So they hide and they mask and they disguise the shortcomings of a Federal Government-owned test in the way that the gentleman from Arizona just described.

Again, it is precisely the reason when we talk about free markets in education, talk about treating parents like real customers, the empire is threatened, and the empire does strike back and begins to characterize us as somehow anti-child and anti-education and so on.

The reality is the greatest hope for improving the quality of education and academic performance for our children is not to give the bureaucrats that the gentleman from Arizona described authority. It is not to make the notion of, what was that, the psychic toll, this notion that you present a psychic toll to children when you ask them to add and subtract, we should not give those kinds of folks more authority and more taxpayer dollars.

Mr. SHADEGG. If the gentleman will yield briefly, my concern here is that we are literally within days, as early as Tuesday of next week, this issue will be decided, and right now we have a fight going on between the U.S. House and the U.S. Senate where the U.S. House has said, no, do not steal local control of education away from our neighborhoods and give it to bureaucrats in Washington, and the Senate is caving in.

I am impassioned in my belief we have to fight this fight and win this fight. Senator ASHCROFT over on the other side is battling his colleagues. We are in grave danger of having a national test imposed by the Clinton Administration, written by these people, and I don't care how good the test is, one test will not work. We need to let parents in America write tests in their neighborhoods.

Mr. BOB SCHAFFER of Colorado. Any caring parent who understands what the Clinton Administration is trying to accomplish with these tests ought to be suffering a psychic toll of their own.

Mr. SHADEGG. I hope they will plead with their U.S. Senator to get into this fight.

Mr. HOEKSTRA. I think it is very interesting. I have learned a new term tonight. Instead of talking about stress or anxiety or whatever, psychic toll, only somebody who would be developing a national test could come up with psychic toll. I think it is about time we create some psychic toll on the other body before we end up really creating, we are going to have a test that does not work, and it will create a lot of stress and anxiety and a lot of wasted effort at the local level, because one more time, it is going to move more power away from that classroom to bureaucrats in Washington.

The leverage point is the classroom, with the teacher that knows my kid's name. That is where the money needs to go, where the decision making needs to go, and we have got to get it there and move it away from Washington, and we need to move to my colleague from California.

Mr. CUNNINGHAM. Who has been patiently standing by. I don't know of my colleagues, how many of you, it is difficult to pass a school bond even on a local district. In California it takes like two-thirds to pass a proposition. It has been very difficult. And if we get

less than 50 cents on a dollar down to the classroom, where are we going to get the money to upgrade those schools?

First of all, when you ask the public, more than a majority of the public feels that the education system, even though we have good schools, the majority feels that our public education system does not even rate a C grade. If that is the case, I would ask most of the majority to expect our schools to have nothing less than an A grade in what it teaches our children.

Remember a gentleman named Jaime Escalante, I mentioned his name once before? They thought he was radical when he thought he could teach children mathematics; it was calculus. And the teachers thought he was crazy. This was in a minority district, gang-infested, where the kids were low achievers, high risk.

I would say that the parents thought he was crazy; the teachers thought he was crazy. He got no support from the administration, and he said I am going to teach those kids. And he set out to do that as an individual. What a difference he made. Ninety-seven percent of the kids went on to college in mathematics. Then he got the support of the teachers. He got the support of the students. He got the support of the administrators, and made a difference.

I think when we turn this around that we get the support of people to say, listen, if we invest our dollars into education and there is a tangible result from that, that is going to make my child's life better, I am willing to give more. Part of that is giving them the tax dollars back to their pocket instead of the Federal Government. But I would say one of the ways we found out besides just the Federal dollar, the State dollar, is the 21st Century bill that my colleagues supported, goes in and lets private enterprise invest into high-tech systems into the classroom. They get to write off, say a computer that is less than 2 years old.

We have a nonprofit organization called the Detweiler Foundation that when you take that computer, the school cannot use it, they upgrade that computer with software and hardware. Guess what? They use prison labor and they use military brig labor. It gives them a skill so maybe they are not going to end up back there.

Then they turn around and give that computer, ready to use, to the school. We are putting California schools on an 18-month cycle so that we can upgrade and keep those schools up to speed. There is much more that needs to be done.

Libraries, I think, should be, because we are asking people to come off welfare, they have to have a place to access modern technology so that they can upgrade their skills.

Mr. HOEKSTRA. You would love the story that our colleague from Arizona and I can share with you about the student at the charter school who was, I think, in his previous school had been labeled as a difficult student or whatever.

Mr. CUNNINGHAM. I got one of those, and he is doing great in charter school.

Mr. HOEKSTRA. This kid was put into this environment where he was provided an opportunity to flourish. You know what his strength was? He developed a whole bunch of strengths. Do you know one of the things he is really contributing to the school is—

Mr. SHADEGG. Rebuilding computers.

Mr. HOEKSTRA. Rebuilding computers. They do not need a corporation to rebuild the computer and give it to the school. This kid, they give him, people drop stuff off and they give it to him and he fixes the stuff and he is a great student now.

Mr. SHADEGG. He was flunking out and he is borderline genius in repairing and putting computers back together.

Mr. HOEKSTRA. I think he is a great student now and he is contributing in a very different way to this school. So everything is kind of coming together because we have that student in the right environment.

□ 2115

It does not mean that the other school was a bad school, but we match the student with the environment.

Mr. CUNNINGHAM. Would the gentleman agree, though, that nationally we have a system where computers are given to the schools, and they are ending up in a corner because they do not have the technology to upgrade? This is fantastic.

Mr. HOEKSTRA. Absolutely. I am just trying to reinforce the point that we need to get the computers and technology in there. When it happens, the gentleman and I need somebody to fix our computers for us, and those kinds of things. These kids out there that are growing up with it, they can do wonderful things, the more technology we give them.

Mr. CUNNINGHAM. Think what we can do if we get 90 percent of the Federal dollars there, eliminate bureaucracy, and get private investment into our schools. That is a vision for the future of education.

Mr. HOEKSTRA. Remember what this means. If we get 90 percent of the dollars to the local school district, instead of 50, that is about a 40 percent operating increase in local budget for every school district, without any new millage. It just says, you know, we have cut this money out and you are getting it, with no red tape.

So I thank my colleagues for joining me in this special order. We have had a wonderful discussion and dialogue on education. The important thing, as my colleague, the gentleman from Arizona [Mr. SHADEGG] keeps coming back to, we are going to be making a decision on this testing issue, which is a much bigger issue than testing. It is about who is controlling education, who is controlling curriculum, and who is controlling dollars and direction for our local schools.

The House is firmly on record saying it has got to be parents, teachers, and local school boards. The other body is moving in the direction of Washington maybe knows best. That is the wrong direction to go.

Mr. CUNNINGHAM. I think the gentleman's crossroads program is one of the most important programs we are working on in Congress.

Mr. HOEKSTRA. I thank my colleagues for joining me.

AMERICA IS FACING A CRITICAL DECISION ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. SHADEGG] is recognized for 5 minutes.

Mr. SHADEGG. Mr. Speaker, I just want to reiterate, for those who may be listening at this point, we are on the verge of a very, very critical decision in this country. I hope people understand how important it is.

As Americans, we care about our children's education. We want them to do the best they can, and in this global economy in which they must compete, we want them to be able to compete with children around the world. That is why we embrace almost any idea to improve education, including ideas that are being thrown around nationally. But one of those ideas, while it sounds good, is, I believe, a grave threat to our children and to education in America, and to their ability to compete. That idea is national testing.

People tuning in or just listening might say, what is wrong with national testing? What is wrong with being able to allow parents in Arizona to compare the performance of their children and their schools with parents in Michigan or Florida? The truth is, there is nothing wrong with that, but there are tests to do that right now, independently written tests, like the Iowa test of basic skills, or the Stanford test. We have those tests.

What is being proposed today, and what energizes me and causes me fear, is a single exam written in Washington, DC, deep in the bowels of the Federal Department of Education or written by a committee appointed by the President, to be administered to every student in America. That one exam will have the danger of setting the national curriculum, and taking control away from parents and teachers and local administrators in my school district and in every American school district.

I think Americans trust the teachers and the administrators, and even the parents and the students in their own school district. They know if they want to influence the curriculum at their school, they can go to their school and make their voice heard. They can go to their local school board and make their voice heard.

But let me warn the Members, if we adopt one national test in reading for

fourth graders or one national test, and that is Federal Government test, in mathematics for eight graders, we will have ceded the control of our children's education over to faceless, nameless Washington bureaucrats deep in the bowels of the education establishment, deep in the bowels of the Department of Education, or in some consulting firm.

Mr. Speaker, I think we owe our children better than that. We cannot give away local control of our schools to Federal bureaucrats. Why would a national test do that? Members say, how can a national test be that dangerous? How can it be that threatening? The answer is a simple one: What is tested is what will be taught. We all understand that.

My daughter, Courtney, back in Phoenix, AZ, and my son, Stephen, are doing well in school, but they are doing well because their teachers, and I have faith in teachers, they are good people, their teachers learn what Courtney and Stephen are going to be tested on, and they make sure that in the curriculum they teach them what they will be tested upon.

So what is tested is what will be taught, and if we allow the test to be written in Washington, D.C., then what will be taught across America will be what some Federal bureaucrat deep in the bowels of the education department decides ought to be taught, because they will write the test, and your children's teacher and my children's teachers will be forced to teach to that test. We must block that effort to nationalize education. That fight is now, here in Washington, today. The decision will be made in Washington next week. There will be a vote in the U.S. Senate and a vote in the U.S. House.

Americans who do not want to give up control over their children's education to a bunch of nameless, faceless Washington bureaucrats need to speak out now. They need to call Washington, call their Congressman, call their Senator, and say, do not let national testing steal control away from our teachers in our neighborhood, from our school board in our neighborhood.

Some of the proponents of this idea say, do not worry, it is only voluntary. That is a hollow defense of a bad idea, because in America today there are only about 4 or 5 textbook writers. If we write one national test in Washington, D.C. and say, this will be given to all kids, sure, you will be able to opt out of of the test, but the textbook writers, the people who write the curriculum for the schools, will write to that test. They will have no choice. If you sit on a school board or if you sit in your parent-teacher council and do not like that test, do not like that curriculum, you will have no choice.

We have to reject this idea and reject it now, and reject it decisively by a vote in the U.S. Senate as early as next week. I urge Americans who care about their children's education to speak out, and not let Washington seize control of their school's education program. The price is simply too high.

There are radicals in Washington, D.C. who are writing a radical test; a test that, for example, in math does not even test basic math skills. But make no mistake about it, it does not matter whether the radicals write the test or good people write the test. If the test is a top-down, Washington-knows-best, one-size-fits-all idea, it will hurt education, because it will cost those parents and teachers in your school control of education in their neighborhoods. I hope Americans are listening.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RYUN (at the request of Mr. ARMEY), for today after 4 p.m. and tomorrow, on account of attending his daughter's wedding.

Mr. HOUGHTON (at the request of Mr. ARMEY), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Ms. WATERS, for 5 minutes, today.
Mr. CLAY, for 5 minutes, today.
Mr. OWENS, for 5 minutes, today.
Mr. PAYNE, for 5 minutes, today.
Mr. FATTAH, for 5 minutes, today.
Mr. SCOTT, for 5 minutes, today.
Mr. FORD, for 5 minutes, today.
Mrs. CLAYTON, for 5 minutes, today.
Ms. SANCHEZ, for 5 minutes, today.
Ms. CHRISTIAN-GREEN, for 5 minutes, today.
Ms. BROWN of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. JONES) to revise and extend their remarks and include extraneous material:)

Mr. METCALF, for 5 minutes, today.
Mrs. MORELLA, for 5 minutes on October 28.
Mr. KINGSTON, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. SMITH of Michigan, for 5 minutes, today.
Mr. BILBRAY, for 5 minutes, today.
Mr. ROHRABACHER, for 5 minutes, today.
Mr. CUNNINGHAM, for 5 minutes, today.
Mr. SHADEGG, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCNULTY) and to include extraneous matter:)

Mr. LANTOS.
Ms. HARMAN.
Mr. STARK.
Mr. KIND.
Mr. CUMMINGS.
Ms. STABENOW.
Mr. STOKES.
Mr. BARCIA.
Mr. ANDREWS.
Ms. SANCHEZ.
Mr. NEAL of Massachusetts.
Ms. CHRISTIAN-GREEN.
Mr. VISCLOSKY.
Mr. KILDEE.
Mr. SERRANO.
Mr. HAMILTON.
Mr. DICKS.
Mr. SHERMAN.

(The following Members (at the request of Mr. JONES) and to include extraneous matter:)

Mr. GILMAN.
Mr. PAPPAS.
Mr. HYDE.
Mr. BEREUTER.
Mrs. MORELLA.
Mr. WALSH.
Mr. BALLENGER.
Mr. CALVERT.
Mr. PAUL.
Mr. EHLERS.

(The following Members (at the request of Mr. HOEKSTRA) and to include extraneous matter:)

Mr. BUYER.
Mr. BURTON of Indiana.
Ms. KAPTUR.
Mr. BOB SCHAFFER of Colorado.
Mr. SPRATT.
Mr. FILNER.
Mr. CRANE.
Mr. GINGRICH.
Ms. KILPATRICK.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 56. Concurrent resolution authorizing the use of the rotunda of the Capitol for a ceremony honoring Leslie Townes (Bob) Hope by conferring upon him the status of an honorary veteran of the Armed Forces of the United States; to the Committee on House Oversight.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that

committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

ADJOURNMENT

Mr. SHADEGG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 23 minutes p.m.), the House adjourned until tomorrow, Friday, October 24, 1997, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

5577. A letter from the General Sales Manager and Vice President, Commodity Credit Corporation, Department of Agriculture, transmitting the Department's final rule—Regulations Governing the Financing of Commercial Sales of Agricultural Commodities [7 CFR Part 17] received October 22, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5578. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–158, ''Public Before-and-After School Care Exemption Temporary Amendment Act of 1997'' received October 22, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

5579. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–160, ''Juvenile Curfew and Retired Police Officer Redeployment Temporary Amendment Act of 1997'' received October 22, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

5580. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–161, ''Comprehensive Merit Personnel Act Annuity Offset Temporary Amendment Act of 1997'' received October 22, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

5581. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–166, ''Comprehensive Merit Personnel Act Pilot Program Temporary Amendment Act of 1997'' received October 22, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

5582. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–167, ''Alcoholic Beverage Control DC Arena Temporary Amendment Act of 1997'' received October 22, 1997, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

5583. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Kutztown, PA (Federal Aviation Administration) [Airspace Docket No. 97–AEA–25] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5584. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Zelienople, PA (Federal Aviation Administration) [Airspace Docket No. 97–AEA–19] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5585. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Belleville, KS (Federal Aviation Administration) [Docket No. 97–ACE–7] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5586. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace, Kansas City, Richards-Gebaur Airport, MO (Federal Aviation Administration) [Docket No. 97–ACE–10] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5587. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Driggs, ID (Federal Aviation Administration) [Airspace Docket No. 97–ANM–6] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5588. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; French Lick, IN (Federal Aviation Administration) [Airspace Docket No. 97–AGL–26] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5589. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace, Vinton, IA (Federal Aviation Administration) [Docket No. 97–ACE–13] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5590. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; East Butler, PA; Correction (Federal Aviation Administration) [Airspace Docket No. 97–AEA–02] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5591. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Marion, VA (Federal Aviation Administration) [Airspace Docket No. 97–AEA–018] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5592. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. (formerly Textron Lycoming) Model T5313B, T5317A, and T53 (Military) Turboshaft Engines (Federal Aviation Administration) [Docket No. 97–ANE–38–AD; Amdt. 39–10160; AD 97–21–07] (RIN: 2120–AA64) received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5593. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Short Brothers Model SD3–30 Series Airplanes (Federal Aviation Administration) [Docket No. 97–NM–220–AD; Amdt. 39–10164; AD 97–21–11] (RIN: 2120–AA64) received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5594. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes (Federal Aviation Administration) [Docket No. 97–NM–265–AD; Amdt. 39–10163; AD 97–21–10] (RIN: 2120–AA64) received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5595. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Sauk Centre, MN (Federal Aviation Administration) [Airspace Docket No. 97–AGL–22] received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5596. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Pressure Testing Older Hazardous Liquid and Carbon Dioxide Pipelines (Research and Special Programs Administration) [Docket No. PS–121; Amdt. 195–58] (RIN: 2137–AD 05) received October 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5597. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule— Veterans and Reservists Education: Additional Educational Assistance While Serving in the Selected Reserve (RIN: 2900–AI79) received October 23, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

5598. A letter from the Secretary of Defense, transmitting a report entitled ''Federally Sponsored Research on Persian Gulf Veterans' Illness,'' pursuant to Public Law 103—337, section 722(f); jointly to the Committees on National Security and Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Texas: Committee on the Judiciary. H.R. 1493. A bill to require the Attorney General to establish a program in local prisons to identify, prior to arraignment, criminal aliens and aliens who are unlawfully present in the United States, and for other purposes; with an amendment (Rept. 105–338). Referred to the Committee of the Whole House on the State of the Union.

Mr. COBLE: Committee on the Judiciary. H.R. 2265. A bill to amend the provisions of titles 17 and 18, United States Code, to provide greater copyright protection by amending criminal copyright infringement provisions, and for other purposes; with an amendment (Rept. 105–339). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of Conference. Conference report on H.R. 1119. A bill to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999, and for other purposes (Rept. 105–340). Ordered to be printed.

Mr. ARCHER: Committee on Ways and Means. H.R. 2621. A bill to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes; with an amendment (Rept. 105–341 Pt. 1). Ordered to be printed.

Mr. LINDER: Committee on Rules. House Resolution 277. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2107) making appropriations for the Department of the Interior

and related agencies for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–342). Referred to the House Calendar.

Mr. SOLOMON: Committee on Rules. House Resolution 278. Resolution waiving points of order against the conference report to accompany the bill (H.R. 1119) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes (Rept. 105–343). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X, the following action was taken by the Speaker:

H.R. 2621. Referral to the Committee on Rules extended for a period ending not later than November 4, 1997.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. JEFFERSON (for himself, Mr. RANGEL, Mr. WYNN, Mr. CLYBURN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FATTAH, Mr. TOWNS, Mr. ENGLISH of Pennsylvania, Ms. CHRISTIAN-GREEN, Mr. WATT of North Carolina, Mr. FORD, Ms. WATERS, Mr. FROST, Mrs. CLAYTON, Mr. LEWIS of Georgia, Mr. DAVIS of Illinois, Ms. NORTON, Ms. JACKSON-LEE, Mr. HILLIARD, Mr. MCCRERY, Mr. FLAKE, Mr. THOMPSON, Mr. DELLUMS, Mr. SCOTT, Mr. CUMMINGS, Mr. PAYNE, Mrs. MEEK of Florida, Ms. KILPATRICK, Ms. CARSON, Mr. DIXON, Mr. STOKES, Mr. RUSH, Mr. CLAY, Mr. BISHOP, Ms. MILLENDER-MCDONALD, Mr. OWENS, Mr. JACKSON, Ms. MCKINNEY, Mr. CONYERS, Mr. HASTINGS of Florida, and Ms. BROWN of Florida):

H.R. 2707. A bill to amend the Internal Revenue Code of 1986 to permit tax-free reorganizations of specialized small business investment companies into partnerships and regulated investment companies, to expand the exclusion for gain from small business stock for such stock held by such companies, and for other purposes; to the Committee on Ways and Means.

By Mr. HAMILTON (for himself, Mr. CRANE, Mr. KOLBE, Mr. BEREUTER, Mr. EWING, Mr. MANZULLO, and Mr. BLUMENAUER):

H.R. 2708. A bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions; to the Committee on International Relations, and in addition to the Committees on Ways and Means, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILMAN (for himself, Mr. GINGRICH, Mr. BOEHNER, Mr. COX of California, Mr. SOLOMON, Mr. HYDE, Ms. ROS-LEHTINEN, Mr. ROHRABACHER, Mr. KING of New York, Mr. CHABOT, Mr. FOX of Pennsylvania, Mr. WELLER, Mr. SAXTON, Mr. NETHERCUTT, Mr. DEUTSCH, Mr. SCHUMER, Mr. GUTIERREZ, and Mr. BORSKI):

H.R. 2709. A bill to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles; to the Committee on International Relations.

By Mr. BALLENGER (for himself and Mr. GOODLING):

H.R. 2710. A bill to amend the Fair Labor Standards Act of 1938 to provide that an employee's ''regular rate'' for purposes of calculating overtime compensation will not be affected by certain additional payments; to the Committee on Education and the Workforce.

By Mr. CAMPBELL:

H.R. 2711. A bill to promote full equality at the United Nations for Israel; to the Committee on International Relations.

By Mr. CUMMINGS (for himself, Ms. NORTON, Mr. FORD, and Mr. WYNN):

H.R. 2712. A bill to require executive branch agencies annually to review the costs of service contracts and to report to Congress on such review; to the Committee on Government Reform and Oversight.

By Ms. DELAURO (for herself, Mrs. MORELLA, Mr. MCGOVERN, and Mr. HOYER):

H.R. 2713. A bill to establish a grant program to improve the quality and expand the availability of child care services, and of family support services, for families with children less than 3 years of age; to the Committee on Education and the Workforce.

By Mr. HOUGHTON (for himself, Mr. ENGLISH of Pennsylvania, and Mr. NEAL of Massachusetts):

H.R. 2714. A bill to amend the Internal Revenue Code of 1986 to disregard certain amounts of capital expenditures in applying $10,000,000 limit on such issues; to the Committee on Ways and Means.

By Mr. HUNTER (for himself, Mr. CUNNINGHAM, and Mr. BARTLETT of Maryland):

H.R. 2715. A bill to prohibit the conveyance of real property at Long Beach Naval Station, California, to China Ocean Shipping Company; to the Committee on National Security.

By Mr. HYDE:

H.R. 2716. A bill to revise, codify, and enact without substantive change certain general and permanent laws, related to aliens and nationality, as title 8, United Sates Code, ''Aliens and Nationality''; to the Committee on the Judiciary.

By Ms. KILPATRICK (for herself, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BONIOR, Mr. CAPPS, Ms. CARSON, Ms. CHRISTIAN-GREEN, Mr. CLEMENT, Mr. CLYBURN, Mr. CONYERS, Mr. DAVIS of Illinois, Ms. DELAURO, Mr. DELLUMS, Mr. FALEOMAVAEGA, Mr. FILNER, Mr. FORD, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GORDON, Mr. HILLIARD, Mr. JACKSON, Ms. JACKSON-LEE, Ms. LOFGREN, Mr. JENKINS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LANTOS, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. MENENDEZ, Ms. MILLENDER-MCDONALD, Mrs. MINK of Hawaii, Mr. OBERSTAR, Mr. POSHARD, Ms. RIVERS, Mr. RUSH, Mr. SANDLIN, Ms. STABENOW, Mr. STARK, Mr. THOMPSON, Ms. WATERS, Mr. WATTS of Oklahoma, Ms. WOOLSEY, and Mr. WYNN):

H.R. 2717. A bill to authorize the President to award a gold medal on behalf of the Congress honoring Wilma G. Rudolph in recognition of her enduring contributions to humanity and women's athletics in the United States and the world; to the Committee on Banking and Financial Services.

By Mr. KNOLLENBERG (for himself, Mr. BARRETT of Nebraska, Mrs. CHENOWETH, Mr. GRAHAM, Mr. MCCOLLUM, Mr. MCINTOSH, Mr. BOB SCHAFFER, and Mr. WATTS of Oklahoma):

H.R. 2718. A bill to amend the Internal Revenue Code of 1986 to reduce the rates of income tax paid by individual taxpayers, to eliminate the marriage penalty in the standard deduction, and to change the filing date for individual tax returns to November 1; to the Committee on Ways and Means.

By Mrs. LOWEY:

H.R. 2719. A bill to establish a program to provide child care through public-private partnerships; to the Committee on Education and the Workforce.

By Mr. PAUL:

H.R. 2720. A bill to repeal the Davis-Bacon Act and the Copeland Act; to the Committee on Education and the Workforce.

By Mr. PAUL:

H.R. 2721. A bill to restore the Second Amendment rights of all Americans; to the Committee on the Judiciary.

By Mr. PAUL:

H.R. 2722. A bill to amend title 18, United States Code, to provide for reciprocity in regard to the manner in which nonresidents of a State may carry certain concealed firearms in the State; to the Committee on the Judiciary.

By Mr. PAUL:

H.R. 2723. A bill to amend the Internal Revenue Code of 1986 to repeal the 1993 increase in taxes on Social Security benefits; to the Committee on Ways and Means.

By Mr. RIGGS (for himself, Mr. WATTS of Oklahoma, Mr. FLAKE, Mr. TALENT, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Ms. DUNN of Washington, Ms. PRYCE of Ohio, Mr. SOLOMON, and Mr. HOEKSTRA):

H.R. 2724. A bill to amend title VI of the Elementary and Secondary Education Act of 1965 to give parents with low-incomes the opportunity to choose the appropriate school for their children; to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK:

H.R. 2725. A bill to amend part C of title XVIII of the Social Security Act to repeal the authority to offer private fee-for-service plans under the MedicareChoice Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK (for himself and Mr. BECERRA):

H.R. 2726. A bill to amend title XVIII of the Social Security Act to direct the Secretary of Health and Human Services to contract with certain hospitals for the provision of certain surgical procedures and related services under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BOEHLERT:

H.R. 2727. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to reauthorize and reform the Superfund program, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Transportation and Infrastructure, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. VELAZQUEZ (for herself, Mr. UNDERWOOD, Mr. TOWNS, Mr. ABERCROMBIE, Mrs. MINK of Hawaii, Mr. SERRANO, Mrs. MEEK of Florida, Mr. DELLUMS, Mr. GONZALEZ, Mr. OWENS, Mr. FLAKE, Mr. STARK, Ms. KILPATRICK, Mr. LANTOS, Mr. YATES, Mr. MANTON, Mr. GUTIERREZ, Ms. SANCHEZ, and Mr. POSHARD):

H.R. 2728. A bill to extend the provisions of the Chinese Student Protection Act of 1992 to certain aliens who entered the United States without inspection; to the Committee on the Judiciary.

By Ms. DELAURO (for herself and Ms. ROS-LEHTINEN):

H. Res. 279. A resolution recognizing the contribution that child care professionals make to the wellbeing of children and their families; to the Committee on Education and the Workforce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mrs. KELLY:

H.R. 2706. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel FLAME; to the Committee on Transportation and Infrastructure.

By Ms. MILLENDER-MCDONALD:

H.R. 2729. A bill for the private relief of Ruth Hairston by waiver of a filing deadline for appeal from a ruling relating to her application for a survivor annuity; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 23: Mr. ENGEL, Mr. MANTON, Mr. PASTOR, Mr. KLECZKA, Mr. POSHARD, Mr. BERMAN, Ms. KILPATRICK, Mr. HINOJOSA, and Mr. VISCLOSKY.

H.R. 27: Mr. TIAHRT.

H.R. 209: Mr. LOBIONDO and Mr. WELLER.

H.R. 453: Mr. STARK, Mr. MILLER of California, Mr. MEEHAN, Ms. ROYBAL-ALLARD, Mr. PASCRELL, Mr. PAYNE, Mr. KENNEDY of Massachusetts, Mr. MENENDEZ, Ms. DELAURO, Mr. KUCINICH, and Mr. MALONEY of Connecticut.

H.R. 532: Mr. NEAL of Massachusetts.

H.R. 547: Mr. CAMPBELL.

H.R. 616: Mr. MCHUGH, Ms. HOOLEY of Oregon, Mr. BURTON of Indiana, Mr. SALMON, Mr. COBURN, Mr. SCHUMER, Mrs. MALONEY of New York, Mr. PARKER, Mr. TAYLOR of Mississippi, Mr. CUNNINGHAM, Mr. KIM, Mr. WATTS of Oklahoma, Mr. LAHOOD, Mr. BOEHLERT, Mr. BISHOP, Mr. KIND of Wisconsin, Mr. RUSH, Mr. SOLOMON, Mr. TAYLOR of North Carolina, Mr. EWING, Mrs. FOWLER, MR. UNDERWOOD, Mr. MURTHA, Mr. SCOTT, Mr. COOK, MRS. THURMAN, Mr. MCGOVERN, Mr. LANTOS, Mr. OWENS, Mr. NADLER, and Mr. GEKAS.

H.R. 617: Mr. SCOTT.

H.R. 633: Mr. KUCINICH.

H.R. 696: Mr. MCGOVERN.

H.R. 754: Mr. KIND of Wisconsin, Mr. PAYNE, and Mr. MCGOVERN.

H.R. 758: Mr. KASICH.

H.R. 806: Mr. FILNER and Mr. GUTIERREZ.

H.R. 900: Mr. MARTINEZ.

H.R. 979: Ms. ESHOO, Mr. SUNUNU, Mr. MARTINEZ, and Mr. SCOTT.

H.R. 1010: Mr. LUCAS of Oklahoma, Mr. SESSIONS, Mr. HOEKSTRA, and Mr. MORAN of Kansas.

H.R. 1114: Mr. MCNULTY, Mr. SKELTON, and Mr. FRELINGHUYSEN.

H.R. 1130: Mr. COSTELLO.

H.R. 1234: Mr. UNDERWOOD.

H.R. 1260: Mr. HOUGHTON.

H.R. 1280: Mr. HILLEARY.

H.R. 1283: Mr. KOLBE and Mr. CHRISTENSEN.

H.R. 1302: Mr. GREEN.

H.R. 1322: Mr. TURNER.

H.R. 1334: Mr. WYNN, Mr. DAVIS of Virginia, and Mrs. MALONEY of New York.

H.R. 1390: Mr. MENENDEZ.

H.R. 1456: Mr. HALL of Texas and Ms. STABENOW.

H.R. 1500: Mr. JOHNSON of Wisconsin.

H.R. 1591: Mr. FOLEY, Mr. LATHAM, Mr. SESSIONS, Mr. PETERSON of Minnesota, Mr. BRADY, and Ms. GRANGER.

H.R. 1595: Mr. SPENCE and Mr. SHAW.

H.R. 1625: Mr. SPENCE, Mr. INGLIS of South Carolina, and Mr. BLILEY.

H.R. 1665: Mr. EVANS.

H.R. 1754: Mr. LOBIONDO.

H.R. 1842: Mr. BRADY.

H.R. 1861: Mr. FILNER.

H.R. 1904: Mr. POSHARD.

H.R. 1987: Mr. RUSH, Mr. SANDERS, Mr. ABERCROMBIE, and Mr. FROST.

H.R. 2019: Mr. PICKERING and Mr. SESSIONS.

H.R. 2116: Mr. SAXTON.

H.R. 2172: Mr. OXLEY.

H.R. 2183: Mr. METCALF, Mr. SANFORD, Mr. MCINTYRE, Ms. DELAURO, and Mr. GEJDENSON.

H.R. 2185: Mr. FILNER and Mr. TORRES.

H.R. 2202: Mr. SCHIFF, Mr. PORTMAN, Mr. GUTKNECHT, Mr. WAMP, Mrs. NORTHUP, and Mr. BAESLER.

H.R. 2224: Mrs. MALONEY of New York.

H.R. 2257: Mr. FROST.

H.R. 2273: Mr. KUCINICH, Mr. BALDACCI, Mr. SANDERS, Mr. WAXMAN, Mr. HEFNER, Mr. BOUCHER, Ms. MCCARTHY of Missouri, and Mr. TORRES.

H.R. 2284: Mr. EDWARDS, Mr. BURTON of Indiana, and Mr. HAMILTON.

H.R. 2292: Mr. RIGGS.

H.R. 2321: Mr. HASTERT, Mr. MANZULLO, Ms. MCCARTHY of Missouri, Mr. METCALF, Mr. TRAFICANT, and Mr. UPTON.

H.R. 2349: Mr. BISHOP, Mr. STOKES, Mr. SHERMAN, Mr. COX of California, Mr. MATSUI, and Mr. ROGAN.

H.R. 2377: Mr. LOBIONDO, Mr. PACKARD, Mr. KINGSTON, and Mr. PITTS.

H.R. 2408: Mr. SANDLIN and Mr. FALEOMAVAEGA.

H.R. 2418: Ms. STABENOW, Mr. LEWIS of Georgia, Mr. THOMPSON, Ms. KILPATRICK, and Mr. LAMPSON.

H.R. 2438: Mr. STENHOLM, Mr. BUYER, and Mr. REYES.

H.R. 2450: Mr. TORRES.

H.R. 2451: Ms. ESHOO and Mr. MCHALE.

H.R. 2476: Mr. FOX of Pennsylvania.

H.R. 2495: Mr. FILNER and Mr. POSHARD.

H.R. 2503: Mr. COSTELLO, Mr. FRANK of Massachusetts, Mr. SANDLIN, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 2509: Mr. HANSEN, Mr. DOYLE, Mr. SPENCE, Mr. EVERETT, Mr. JOHN, Mr. GEPHARDT, Mr. YOUNG of Florida, and Mr. POSHARD.

H.R. 2524: Ms. DELAURO and Mr. PAUL.

H.R. 2525: Mr. HASTINGS of Florida and Mr. DEFAZIO.

H.R. 2527: Mr. POMEROY, Mr. BLAGOJEVICH, Mr. SANDLIN, Mr. BOSWELL, Mr. YATES, Mr. MEEHAN, Mr. DELAHUNT, Mr. MARTINEZ, and Mr. NADLER.

H.R. 2540: Ms. LOFGREN, Ms. PELOSI, and Ms. FURSE.

H.R. 2549: Mr. PICKETT.

H.R. 2552: Mr. BAKER.

H.R. 2584: Mr. LANTOS.

H.R. 2588: Ms. SANCHEZ and Mr. WATTS of Oklahoma.

H.R. 2593: Mr. MATSUI, Mr. WATTS of Oklahoma, Ms. DELAURO, Mr. GIBBONS, Mr. BOB SCHAFFER, and Ms. STABENOW.

H.R. 2595: Mr. KINGSTON.

H.R. 2596: Mr. HOUGHTON, Mr. SKELTON, and Mr. CLYBURN.

H.R. 2599: Mr. CLYBURN.

H.R. 2624: Mr. BATEMAN and Mr. BRYANT.

H.R. 2625: Mr. ARMEY, Mr. RAMSTAD, Mr. CANNON, Mr. BOEHNER, Mr. HILLEARY, Mr. QUINN, Mr. KLUG, Mr. DIAZ-BALART, Mr. ARCHER, Mr. GOODLATTE, Mr. SMITH of Michigan, Mr. LINDER, Mr. NORWOOD, Mr. BARTLETT of Maryland, Mr. CAMP, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. MANTON, and Mr. WELDON of Florida.

H.R. 2631: Mr. SPENCE, Mr. VISCLOSKY, Mr. CHAMBLISS, Mr. GIBBONS, Mr. WISE, Mr. GOODE, Mr. CRAPO, and Mrs. CHENOWETH.

H.R. 2642: Ms. DELAURO.

H.R. 2649: Mr. HOYER.

H.R. 2650: Mr. WAXMAN.

H.R. 2657: Mr. ENSIGN.

H.R. 2664: Mr. ENGEL, Mr. RUSH, and Mr. TOWNS.

H.R. 2699: Mrs. KELLY, Mr. CUNNINGHAM, Mr. FOX of Pennsylvania, and Mr. MILLER of California.

H.J. Res. 71: Mr. TURNER.

H. Con. Res. 13: Mr. SHIMKUS and Mr. REDMOND.

H. Con. Res. 107: Ms. DANNER.

H. Con. Res. 168: Mr. STARK, Mr. CLYBURN, Mr. BORSKI, Mr. GREEN, Mr. TORRES, Mr. ROTHMAN, and Mr. KLECZKA.

H. Res. 37: Mr. SMITH of Oregon and Ms. HOOLEY of Oregon.

H. Res. 224: Mr. POMEROY, Mr. HALL of Texas, and Mr. EDWARDS.

H. Res. 267: Mr. PITTS, Mr. CHABOT, Ms. GRANGER, Mr. WAMP, Mr. BUYER, Mr. BLUNT, Mr. KINGSTON, Mr. LARGENT, Mr. FRANKS of New Jersey, Mr. THUNE, Mr. ROGAN, Mrs. NORTHUP, Mr. DICKEY, Mr. SAXTON, Mr. ARMEY, Mr. GIBBONS, Mr. HANSEN, Mrs. JOHNSON of Connecticut, Mr. WALSH, Mr. COX of California, Mr. THOMAS, Mr. SMITH of New Jersey, Mr. BILBRAY, and Mr. HUNTER.

H. Res. 273: Mr. DAVIS of Florida, Mr. HOUGHTON, and Mr. SHAW.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2490: Mr. THUNE.

H.R. 2527: Mr. CLEMENT.

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, THURSDAY, OCTOBER 23, 1997 No. 144

Senate

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we are accountable to You. You have given us life, loved and guided us, and entrusted to us responsibilities to be assumed and done for Your glory. In all our ways, we will acknowledge You and You shall direct our paths.

Today, as we continue these ''Character Counts'' prayers and thank You for the pillar of character called responsibility, we praise You that You have given us minds to know Your thoughts, goodness to strengthen our emotions, and resoluteness to motivate our wills. The central purpose of our lives is to listen for Your commands and to obey with passion. Help us to do the best we can with all that we have, so that we may serve You with excellence.

Lord, You have given each of us a realm of responsibility. We are stewards of the blessings You have given us. All that we have and are is a gift from You to be used for the relationships You have given us. Help us to be generous and kind as we assume responsibility for loved ones, friends, people for whom we work or those who work for us.

Lord, help us never forget that we must account for how responsible we were to You in carrying out our responsibilities. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. KEMPTHORNE. Thank you, Mr. President.

SCHEDULE

Mr. KEMPTHORNE. Mr. President, this morning the Senate will be in a period of morning business to accommodate a number of Senators who have requested time to speak. At 11 a.m., under the previous order, the Senate will conduct a cloture vote on the modified committee amendment to Senate bill 1173, the ISTEA reauthorization bill. Following that vote, the Senate will vote on passage of House Joint Resolution 97, the continuing resolution. Therefore, Members can anticipate two consecutive rollcall votes beginning at approximately 11 a.m. today. If cloture is not invoked at 11:00 a.m., a second cloture vote is expected to occur later in the afternoon. Hopefully, the Senate can make good progress on the highway legislation during today's session.

As a reminder to all Members, a third cloture motion was filed last evening in the event that cloture is not invoked during today's session. If needed, that vote will occur on Friday at a time to be determined later. In addition, if any appropriations conference reports become available, the Senate is expected to consider those reports in short order. Therefore, Members can anticipate rollcall votes throughout today's session of the Senate.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. SANTORUM). Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

Mr. KEMPTHORNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANN'S CAMPAIGN FOR A SAFER AMERICA

Mr. KEMPTHORNE. Mr. President, my children attend a high school in Fairfax County. It is a high school that has great diversity, great hope, great potential. It is a school that you might say is in some transition. The school has seen a great deal of improvement, has a great deal of camaraderie, a great spirit at this public high school. It is Mount Vernon High School. The teachers care, the parents care, the administrators care. My kids have made terrific friends at this school, friends that indeed will last a lifetime.

One student, Ann Harris, became one of my daughter's absolute best friends. They had morning period together. They had one book that they would share, they would make notes and they would pass it each day with the thoughts that they had in their heart and they would share it back and forth.

Ann Harris's father, Coleman, has been PTA president for 3 years. His wife, Jean, you could not ask for a better booster for that high school. They want to make sure that that high school is a safe place for kids, and they have done a terrific job.

March 29 of this year my wife and I were driving when the cell phone rang. I answered, and it was my daughter. I could tell that something was very wrong because of the anguish in her voice. She said, ''Dad, when will you and Mom be home?'' And I said we will be home very soon. Then my daughter started crying and she said, ''Ann Harris is dead.'' And I said, ''What?'' And she said, ''Ann is dead,'' and she continued to cry. I tried to ask her what in the world had happened, and she said she has been shot.

We later learned that she had been shot in a drive-by. So here is Coleman and Jean Harris, doing all they can as

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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parents, all that teachers and administrators can do to make sure that you have a safe school, a safe environment, and a safe neighborhood.

But here is the irony. That shooting did not take place in our neighborhood. It took place 3,000 miles away over spring break because of something going on in that community where some guy, for whatever reason, got offended and fired into the back of that automobile, ending the lovely life of a 17-year-old girl.

Ann Harris was a model student and a model citizen. She was an A student. She was an outstanding athlete, a great tennis player. She had been accepted to Purdue University. She is gone because somebody—somebody—just undertook a senseless and pointless act that extinguished the life of so much potential.

I can tell you that not just my daughter cried but a whole community has cried in mourning the loss of Ann Harris. I don't think there is a sweeter smile that I have seen on anybody than on the face of Ann Harris.

We talk about this today on the floor of the U.S. Senate because how many times throughout the United States in any of our communities do we pick up newspapers and find out that a young life has been extinguished because of some senseless, violent act? We read about it all the time.

In 1994, more than 2,600 juveniles between the ages of 10 and 17 were murdered. That is a rate of seven per day. One in five of these victims was killed by another juvenile. The number of juveniles arrested for violent crimes has increased 60 percent in the last 10 years. During that same time, murder arrests rose 125 percent. Our young people are the most frequent victims of violent crime. They are raped, robbed or assaulted at a rate five times higher than adults. The homicide rate for youths in the United States is 10 times higher than in Canada, 15 times higher than in Australia, 28 times higher than in France and Germany. This increase in juvenile crime has been linked to the increase in youth gang activity. Gangs are now present in all 50 States, in large cities, small cities, and in rural communities.

I think it is appropriate for the U.S. Senate to salute the life of Ann Harris and all of these young Americans that we have lost who have been senselessly killed for no reason.

At graduation this past June, they still called Ann's name, and her brother and sisters came across the stage to accept her diploma. Waiting on stage to meet each graduate were Coleman and Jean Harris. They hugged every student, just as they hoped that they would be hugging Ann on receiving her diploma.

May this tragic event somehow cause all of us to look around our own communities. With us today are Coleman and Jean Harris; Ann's high school principal, Calanthia Tucker; Fairfax County school board member, Kris Amundson; members of the church, the pastor.

All of us today salute and celebrate the life of Ann Harris and the life of the young people that aren't with us. Let us, as parents and as adults, redouble our efforts. What have we done lately for our children and for our community? Have we gotten involved in our children's schools to make sure they are safe, that they are drug free? Have we demonstrated with organizations like Parents and Youth Against Drug Abuse that that is the right thing to be doing? Have you worked with local law enforcement agencies to develop safer neighborhoods and a support system?

Ann's parents have continued their efforts to promote safer schools in safer neighborhoods. They have started with what is called Ann's Campaign, ''Ann's Campaign For A Safer America.'' The focus of the campaign is to help youth and adults live the kind of life exemplified by Ann, a life that radiated kindness, warmth and compassion for others. That describes Ann Harris.

In just a few months, Ann's Campaign has grown from a simple concept born of love to a national organization with a web site that offers encouragement, support, and information to interested persons. Ann's Campaign provides links to other support groups such as Mothers Against Violence in America and Students Against Violence Everywhere. Through this type of networking, the Harris's hope to promote a positive message to young people that together we really can build a better America and a safer America.

I send my sincere thoughts and prayers to the Harris family on their loss, my admiration and support for their effort to make our world a little bit better place to live. As the model of Ann's Campaign advocates, we need to encourage each other to smile more, to care more, to love more, and to be more understanding. If we save just one life, we have paid the finest tribute in the world to Ann Harris, and we can do so. This senseless loss of life of our young people must come to an end.

So while my heart is sad, it also celebrates. My family knew Ann Harris. All the kids at Mount Vernon High School knew Ann Harris, and for the rest of their lives they will know the joy that she brought to them, and through Ann's Campaign it can bring to others throughout the United States.

Mr. President, I referenced Ann's Campaign and the fact that they have a Web site. Anybody who wishes to access that, if they simply access ''annscampaign.org,'' they would have access to that Web site. I acknowledge that Senator CHUCK ROBB of Virginia, whose alma mater is Mount Vernon High School, intends to be speaking on this issue today, too, as well as Senator SAM BROWNBACK of Kansas, who will be coming down and speaking on this issue.

I mentioned about the parents and all of us getting involved. I am very proud of my wife, who is now the President of the PTA of Mount Vernon High School. Now, it is with pleasure that I turn to my colleague from Idaho, the senior Senator from Idaho, Senator CRAIG, who has comments with regard to Ann Harris.

Mr. CRAIG. Mr. President, I thank my colleague, Senator KEMPTHORNE, for taking out this time to reference what tragically has become all too common in America today—the loss of a beautiful person and the repercussion of that loss on the family of Coleman and Jean Harris. I must tell you, I did not know Ann, but I do know Coleman and Jean, the parents of Ann. I watched as the community around where Senator KEMPTHORNE and I live mourned the loss of this beautiful young girl and felt the tragedy of it all.

I don't know what we do about crime in America today. The statistics this morning were, as I drove in from the Mount Vernon area to our Nation's Capital, that the number of violent crimes is down in America. That is always positive and it is always good. When Ann left home here in northern Virginia to go to Tacoma, WA, with her friends to see friends, she did not expect to be treated violently or to become involved in a violent episode, because the perpetrator of the incident that killed Ann Harris broke the law.

So is the answer today adding more laws to the books? It really doesn't seem to be. What Coleman and Jean Harris are doing today may well be a piece of an answer that allows citizens of this country not only to express themselves, but to recognize that this is a people problem that we are dealing with today, that it is a societal problem in our country, that stacking laws upon laws that people refuse to live by, if they decide to constantly be a breaker of the law, doesn't solve the problem.

Now, when I came to work yesterday morning, I was involved in the standard traffic gridlock that oftentimes we become involved in in this immediate metropolitan area. There were times when my temper flared and I thought, why should this happen? Yet, I calmed myself and relaxed as much as I could to cope, so that I would not misjudge or cause a bad action. Certainly that kind of reaction, or whatever may have caused a reaction that caused the death of Ann Harris, is something that I think we all need to deal with. Thank goodness, the parents of this beautiful girl have said, ''We are going to do something about it. In the name of Ann Harris, Ann's Campaign, we are going to do something about it.''

They have not approached Senator KEMPTHORNE and me and said we want more laws. What they have said is, ''We want a campaign nationwide that recognizes that if you smile more and care more and you love more and you have more understanding and you bring back to the culture of this society

some of those underpinnings that kept us whole and kept a human relationship going for so long that seems to have broken down, that may have caused the death of Ann Harris, and certainly does cause deaths around the country in drive-by shootings and those kinds of things that just seem to be baseless types of crimes, that our society can, by these actions and by this action of the Harrises, become a better and a safer place to live. That is what we must all dedicate a part of our time to.

DIRK KEMPTHORNE and I are lawmakers, and we could probably pass another law. Certainly, in the passion and emotion of these kinds of incidents happening, all of us want to reach out and do something about it and do it quickly. Well, this Senate and this Congress, for the last decade, has passed a lot of laws that deals with violent actions of our citizens. Yet, somehow we are told by sociologists today that we must prepare ourselves for a very violent generation of juveniles. While adult crime goes down, as I referenced, juvenile crime seems to go up. I suspect that when society as a whole does what Coleman and Jean Harris are now doing on behalf of the beautiful daughter they lost, and more and more citizens speak up and become involved, and our communities and our churches and all of the institutions of our society bind together in intolerance of this kind of activity, that we will once again become a safer place to live.

So let me thank my colleague again for this time and this recognition. We must continue to use any pulpit we can to speak out, and certainly the Harrises have. They have every reason to. I applaud them for their action and want to be a part of it where I can be as I ask other citizens to in the name of Ann and Ann's Campaign so that we can all smile a little more in a less violent society.

Thank you, Mr. President.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I thank the Senator from Idaho for his very thoughtful comments that he made this morning and for the sincerity by which I know he has delivered them.

I now, with a great deal of honor, yield to the Senator from Washington, Senator MURRAY, for her comments as well.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Mr. President, I stand with my colleagues from Idaho today out of anger, sadness, and commitment. A beautiful young woman, Ann Harris, was murdered in my State of Washington. She was murdered by a young man in a random act of violence as she rode in a car with her friends through a Tacoma neighborhood.

Her death is an outrage. We all should be furious. But the saddest comment is that to so many young people, Ann is simply another statistic. To too many she's just ''another homicide.'' A 17-year-old girl is murdered by a young college football player. Our eyes just glaze at the headline and move on.

This time, her parents, her friends, my colleagues and I, and many individuals and organizations across America are not going to let her murder be only a small blip on the television screen. We will not forget her—or any of the other hundreds of children and young people murdered each year.

Her parents, Coleman and Jean, have organized ''Ann's Campaign for a Safer America.'' Even in their tragic loss and profound grief, they pledged to themselves and their lost daughter that they would work to stop violence and stop our national indifference to it. Ann's Campaign's focus will be to encourage, motivate, educate, and help youth and adults alike to live the life Ann radiated—a life that said every day and in every way: smile more, care more, love more, and be more understanding. They will help us all focus on the good and learn to stop violence.

Mr. President, this is not about guns. This is about an attitude among too many young people ''on the street'' that violence is an acceptable alternative. We adults, we Members of Congress, must send the message to our kids and young adults that when someone is killed it will not pass by unnoticed. As adults we must let them know killing and maiming is appalling—and totally unacceptable.

To too many of them it is a quick news piece and it's gone. To too many of them it is ''just another funeral.'' But to parents and family and friends it is a light gone out, a hope not realized, a life not fulfilled.

Mr. President, there is hope that we can make a change in the apathy of our young people. In addition to Ann's parents, a friend of mine from Mercer Island, Pam Eakes, formed an organization called Mothers Against Violence in America.

After hearing about one too many children who lost their lives to violence, she resolved to make a difference, to make kids think about their actions, to teach them empathy, to teach them nonviolence.

Mothers Against Violence also supports families of victims. There is nothing worse than a parent's loss of a child. They feel helpless, and often guilty, like they somehow are to blame for not giving their child full protection from all danger. They are innocent victims, too, and desperately need the support that only others who have suffered their loss can give.

I want to again offer my sincere condolences to Ann's parents. They are so brave to wage this war against apathy and indifference and for love and caring and understanding. Every time they discuss these issues, their own wounds are opened. I thank them and I thank Pam Eakes and a member of my staff, Mary Glenn, and all of the mothers and fathers who have taken their grief and have woven it into a mission to change the world.

Mr. President, they cannot fight alone. We all must get involved and teach our children—and each other—that violence is unacceptable. We can make a difference by joining organizations like Mothers Against Violence or Ann's Campaign and working with them to teach and support. And we can start organizations across America to save our children from violence.

Young people can no longer believe that an angry action of one moment is only that. It is not just an action. It is murder. It is wrong and it will be punished. It is time to stop the violence.

I know that I will continue my personal fight against violence in America. And I urge all of our colleagues to join us in this campaign.

Thank you, Mr. President.

Mr. KEMPTHORNE. Mr. President, in listening to the Senator from Washington, we hear not only an effective Senator speak but we also hear a mother speak. I know of the beautiful children she has.

I commend all of the Senators who have spoken on this issue this morning.

Carved in granite behind me are words ''In God We Trust.''

Today, I just say thank God for Ann Harris. I can think of no finer tribute than for us here on the floor of the U.S. Senate to officially acknowledge Ann's Campaign as it goes nationwide because this lovely lady's life is going to continue to do wonderful things for this country.

Mr. President, I yield the floor.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I rise today to pay tribute to Ann Harris and her memory.

The Harris family, who I have known for over 20 years, recently suffered the loss of their 17-year-old daughter, Ann. She was the innocent victim of a drive-by shooting.

It is a gross understatement to say that that moment changed their lives forever, but it certainly did exactly that. Confronted with such an atrocity, many people would have used the occasion to question the existence of evil in our society and to ask why such a horrible event could have happened to such an innocent person, and to simply ask the question of ''Why? Why? Why? Why has our society become so crime-ridden? Why was such an innocent girl's life taken? Why Ann's life?''

Members have a picture of Ann at their desk. This is Ann's Campaign which they have launched.

When their daughter was shot, the Harris family had an occasion to ask just those same questions that I asked, but they did not ask just those questions. They went further and asked the deeper questions.

They realized that by turning this extraordinary incident, extraordinarily terrible incident—and also by us changing our ordinary incidents—events in our lives into true occasions of loving and of serving God, our communities, and one another, that we begin to change society, not to mention ourselves, for the better. And more importantly, we change them in a way that mitigates against the evil influences that have come to dominate many aspects of this culture.

The Harris family could have used the horrors of this world as an excuse to turn away from God, but, you know, they didn't. Instead, they turned to God and asked quietly, asked humbly, not why—but what? ''What do you want us to do? What can we do to make the world a better place? What can we do to keep the memory of our daughter alive?''

Out of that question came a wonderful foundation dedicated to preserving the memory of the daughter the Harris family lost and to fighting the spread of violent crime in our society.

Ann's Campaign for a Safer America—that is what this card is—was established by Jean and Coleman Harris following the brutal death of their daughter. Ann's Campaign for a Safer America seeks to encourage, motivate, educate, and help youth and adults alike to live the life radiated like their daughter did—a life that said every day and in every way: smile more, care more, love more and be more understanding.

The Harris family is combating violence by combating the problems that often lead to violence. And I believe Ann's Campaign is a unique opportunity to help contribute to the restoration of our culture by directly combating the influences that denigrate and ultimately compromise our moral worth as a nation.

The Harris family has turned a horrible event into an occasion of enriching the community and the country. We too can turn the events of our lives, the extraordinary, the terrible, and the good, along with the ordinary, into occasions of remembering to help others, to serve and to love, and to ask the question: Not why, but what? What? What should I be doing? How should I serve?

So I am joined by my colleague, Senator KEMPTHORNE, and several others, in this privilege of highlighting Ann's Campaign that we note here today.

I have a tie on as well that has smiling faces of children from around the world. That was the Ann Harris who I knew. I even knew her while her mother was pregnant with her. She had just a delightful smile and was a joy of life that was taken brutally.

I applaud what the Harris family has done, taking that incident and turning it into something of: What can we say to our culture? How can we change? Not ''Why?'' But ''What?'' I applaud what they are doing. I ask and hope and encourage my colleagues to look at this as a campaign that they can help in as well as other people from around this Nation.

Mr. President, I yield the floor.

Mr. ROBB. Mr. President, last spring, a bright young Fairfax County high school senior was murdered while visiting friends in Washington State.

Ann Harris was an honor student, a student leader, a gifted athlete, and a member of the Virginia All-State Chorus. Although she didn't live to graduate from Mount Vernon High School—where I graduated over 40 years ago—she carried a 3.4-grade point average and had been accepted, early admissions, to Purdue University. Last spring, Ann had a future filled with unlimited possibilities.

This fall, as I know her family continued to struggle with their loss, many of her friends in Mount Vernon's Class of 1997 left home to attend the college of their own choice. But they left home with a chilling loss of innocence—the innocence of those who don't know what it's like to lose someone you care about to a senseless act of violence.

We want our young people to be safe. Safe in our schools. Safe in our homes. Safe on our streets. We want them to live and learn and contribute to our country.

Ann's family joins us in the gallery today. Let us take this time to recommit ourselves to working for a safer America for all our children. Ann Harris deserved a future limited only by the borders of her dreams. And her friends deserved the innocence of not knowing someone—when you're 17 years old—who loses their future to a senseless act of violence.

I will conclude by commending Ann's family for creating Ann's Campaign for a Safer America. This campaign encourages all of us to live life as their daughter would have lived—to ''smile more, care more, love more and understand more.'' As the father of three daughters whose smiles have brightened many rooms, I thank you for your efforts.

Mr. INHOFE. Mr. President, I ask unanimous consent I be recognized as in morning business for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

GLOBAL WARMING

Mr. INHOFE. Mr. President, today we will be having some conversation on the floor concerning the global warming treaty. I will make a few comments concerning that in that I am the chairman of the Clean Air Committee of the Environment and Public Works Committee. We have had extensive hearings on this. I will review just very briefly what we have learned from the hearing that we held in our subcommittee in the Environment and Public Works Committee insofar as global warming is concerned.

In July, the Environmental Committee had a hearing on the global climate change treaty and we heard from five top scientists.

The conclusions I found were very interesting, particularly since last night when I watched Administrator Carol Browner talk about the scientific evidence that is conclusive concerning global climate change. That is not at all what we found in our hearing. We had five of the top scientists around. While there is a large body of scientific research, there is much controversy and disagreement in scientific facts being misrepresented by the administration and the press.

Four things that we came to a conclusion on were, No. 1, we don't know how much human activity has influenced the climate. One scientist before our committee said it could be as much as 6 percent.

Second, if you look at satellite data, we are not sure if there has been any global warming. We had a very interesting session that lasted more than an hour with viewing the satellites and what conclusions could come, and there was no conclusive evidence that there has actually been any global warming.

Three, even if we eliminate all man-made emissions, it may not have a noticeable impact on the environment, and the treaty may only eliminate emissions here in the United States and not in the entire world.

Four, when asked, all five scientists stated that we would not have the uncertainties understood by this December, when the administration plans on making a decision regarding the treaty.

Now, we found out yesterday that the President came and made his announcement. It is kind of interesting, Mr. President, because we passed a resolution on the floor of the Senate, by 95 to 0, that said we would reject any type of a treaty that came from Kyoto that didn't treat the developing nations the same as the developed nations. So the President came out with something where he is calling for a binding 30 percent reduction in emission levels by the year 2012. He calls this an important first step, with more reductions to follow.

As chairman of the Armed Services Readiness Subcommittee, I can tell you that this is going to have a profound negative affect on our ability to defend America, as the President stated yesterday that the military accounts for 43 percent of the Federal energy use. The Federal Government cannot reduce by 30 percent or more without significant cuts in the military. I think this equates to something like a 3 to 7 times greater cut than the Btu tax of 1993.

One of the things that bothered me more than anything else is the moving target that we are dealing with. In March of 1995 in a House Commerce Committee hearing, Congressmen DINGELL and SCHAEFER raised concerns that the new targets may not apply to all countries equally, and on behalf of

the administration, Mr. Rafe Pomerance, a Deputy Assistant Secretary of the State Department said, ''Our goal, Mr. Chairman, is that all parties participate in this next round of negotiations. We want to see that all governments participate and help define the post-2000 regime.''

One month later, the administration signed on to the Berlin Mandate to review the commitments made to reduce the greenhouse gases and adopt targets for further reductions. The conference differentiated between developed and developing nations. They signed on to this, totally at odds and contradicting the commitment made to the Congressmen.

In June 1996, Mr. Pomerance stated, ''Are we going to agree to legally binding instrument in Geneva? No way.'' One month later, Under Secretary Wirth announced that the United States supported a legally binding emissions target.

I want to also say that this has not changed since September 1996. It is before the same Commerce Committee. Assistant Secretary of State Eileen Claussen told Congressman DINGELL and the committee that the United States would not be bound before we have completed the economic analysis and assessments. We have just learned that the administration's efforts to analyze the economic effects has failed. The models they used did not work, and we will not understand the effect on our nations's economy certainly before December.

The reason I am concerned about this is, there is a very interesting parallel between what they are trying to do in the absence of any scientific evidence in global climate change, which has a dramatic deteriorating effect on our ability to be competitive on a global basis and on the ambient air changes promulgated by this administration. We all know that, just about a year ago, Carol Browner came out and unilaterally suggested—and now has promulgated—the rule change to lower the ambient air standards in both particulate matter and in ozone. We find that during the various hearings that we have had that Mary Nichols, who is immediately under Carol Browner, said that the cost would be $9 billion to put these standards in—the cost to the American people. At the same time, the President's Economic Advisory Committee said it was $60 billion a year. The Reason Foundation estimated the costs between $90 billion and $150 billion. This would cost the average family of four some $1,700 a year.

They talk about the deaths, and Carol Browner reused this yesterday. There would be 60,000 premature deaths. Those deaths were lowered by the EPA last November to 40,000; then in December to 20,000, and in April to 15,000. Then the scientist who discovered the mathematic mistake now says it's less than 1,000. In our committee, Mary Nichols admitted these regulations would not save any lives over the next 5 years.

I have watched how Carol Browner goes around and makes promises. She says to the mayors of America, ''This isn't going to affect you.'' She says to the farmers, ''This isn't going to affect you.'' She says to small businesses, ''This won't affect you.'' To some of the parishes in Louisiana that were found to be out of attainment, she said, ''This isn't going to make you do anything because the problem is for the neighboring State of Texas to the west; they are going to have to do this.''

So, Mr. President, I only ask the question, why is this obsession taking place in the administration if there is no scientific justification on either global warming or ambient air standards? Why are they trying to do this in eroding our personal freedoms? I think probably the best way to answer that is to read an article in Forbes magazine, called ''Watch Out For This Woman; The EPA's Carol Browner is exploiting health and the environment to build a power base.''

If you read this article, Mr. President, it says:

> If science isn't Browner's strong point, political tactics are. Her enemies can only envy the way the EPA uses the courts.
>
> . . . For her part, Browner often dismisses as simple male chauvinism any criticism of her hardball tactics.
>
> . . . She learned politics working on Gore's Senate staff, where she rose to be his legislative director before heading back to Florida to head the State environmental commission.
>
> . . . She is an environmentalist zealot.

Mr. President, I know my time has expired. I ask unanimous consent that this article be printed in the RECORD.

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

[From Forbes magazine, Oct. 20, 1997]

CAROL BROWNER, MASTER OF MISSION CREEP

(By Pranay Gupte and Bonner R. Cohen)

As the center of that enormous rent-seeking organization known as the federal government, Washington, D.C. has evolved its own vocabulary. There is, in bureaucratese, an innocent-sounding but insidious phrase: mission creep. Mark it well: Mission creep explains a lot about how big government grows and grows and grows.

Mission creep is to a taxpayer-supported organization what new markets are to a business organization. It involves a gradual, sometimes authorized, sometimes not, broadening of a bureaucracy's original mission. It is a way to accrete money and power beyond what Congress originally approved when it funded an agency.

Playing mission creep is an old game in Washington. But no one has ever played the game with more skill than Carol M. Browner, Bill Clinton's choice to head the Environmental Protection Agency.

From a modest beginning a quarter-century ago, the agency has grown to employ nearly 20,000 people and control an annual budget of $7 billion. But these numbers are a poor measure of the agency's power: Because its regulations have the force of law, the agency can jail people, close factories and override the judgments of local authorities.

In its quest for power and money, the agency has imposed many unnecessary costs on American industry, and ultimately on the American people—costs that do more to satisfy bureaucratic zeal than to clean the air or the water.

The EPA was established in 1970 by an executive order issued by President Richard M. Nixon. Rachel Carson, a patron saint of the environmental movement, had made a huge impact with her emotional tract, Silent Spring, a few years earlier.

The public was right to be alarmed. Industrialization has imposed hidden costs in the form of polluted air, despoiled streams, unsightly dumps and a general degradation of the landscape. Concerns about pollution could, of course, have been dealt with by existing agencies, but that is not the nature of American politics. Politicians must be seen to be doing something dramatic. Creating new agencies makes favorable waves in the media.

Nixon created a new agency. Pulled together from a hodgepodge of existing federal programs, the EPA never had a congressional charter that would have defined its regulatory activities. It was simply given the task of carrying out the provisions of what, over time, became 13 environmental statutes, each with its own peculiarities and constituencies.

Without perhaps fully comprehending the issues, Nixon made the new EPA the instrument for a tremendous power grab by the federal government. Most environmental problems—chemical spills, groundwater contamination, abandoned dump sites—are purely local in nature. But suddenly they were federal matters. In the name of a greener, cleaner Earth, Washington mightily increased its power to intervene in the daily lives of its citizens. It was a goal so worthy that few people saw the dangers inherent in to. Mission creep had begun.

In 1978 then-EPA administrator Douglas Costle cleverly shifted the focus of the agency. Henceforth the EPA would protect not just the environment but your health. ''Costle became determined to convince the public that [the] EPA was first and foremost a public health agency, not a guardian of bugs and bunnies,'' wrote Mark K. Landry, Marc J. Roberts and Stephen R. Thomas in their book, *The Environmental Protection Agency: Asking the Wrong Questions from Nixon to Clinton*.

People do care about forests and wildlife, but they care much more about themselves and their families. There is a strong strain of hypochondria in the American people, and nothing grabs our attention faster than an alleged threat to our health. If the alleged threat involves cancer, it is almost guaranteed to make the six o'clock news. Costle shrewdly exploited cancerphobia to expand his agency's reach and to wring money from Congress. He launched the EPA on a cancer hunt, looking for carcinogens in foods and air and water, even in the showers we take.

Carcinogens, of course, abound in nature, ordinary sunlight being one of the most prevalent. So it is with many man-made substances. The exposure to background levels of these carcinogens is so minimal in most cases as to pose no serious threat in the over whelming majority of cases. Never mind: EPA scientists, following the agency's cancer-risk guidelines, were soon ignoring the age-old admonition that the ''dose makes the poison.'' If it was man-made and carried carcinogens, the EPA would root it out. As one EPA scientist explained it to FORBES: ''At EPA, we're not paid not to find risks.''

Under the mantra of ''one fiber can kill,'' the EPA in the 1980s mounted a costly and probably self-defeating nationwide effort to rip asbestos out of schools. Simply sealing the substance would have kept the fibers away from kids at a fraction of the cost. But it would not have yielded the same harvest in headlines.

Even more than her predecessors—and possessing much greater resources—Carol Browner presents herself as the great family physician. ''There isn't a decision I make on any given day that's not related to the health of the American people.'' she tells FORBES. Browner, it's worth noting, is a lawyer with no medical training.

After all, she reminds us, she's the mom of a young boy. Attendees of Capitol Hill hearings snicker at her constant references to her son, Zachary, when she testifies on environmental issues. But she never misses a chance to repeat the message. ''If we can focus on protecting the children . . . we will be protecting the population at large, which is obviously our job,'' she tells FORBES.

Who said that was her job? Nobody, but that's what mission creep is all about.

Last September Browner announced the release of a new EPA report setting forth a broad national agenda to protect children from environmental risks. She followed up the report with the creation earlier this year of the Office of Children's Health Protection at EPA.

There was no congressional mandate, but Congress meekly went along by failing to challenge the agency's justification of the program. Who would want to face reelection accused of being callous toward children? Especially when the EPA's kept researchers stand by ready to produce scare studies on EPA money *(see box, p. 172)*.

Where most agency chiefs tremble at criticism from Congress, Browner has a platform from which she can counterattack. An EPA-funded newsletter was recently distributed by the National Parents Teachers Association. At the time an internal EPA memo noted: ''The PTA could become a major ally for the Agency in preventing Congress from slashing our budget.'' Thus does Browner's EPA use taxpayer money to fight efforts to trim the federal budget.

On Mar. 15, 1995 David Lewis, an EPA scientist attached to the agency's laboratory in Athens, Ga., was told by his supervisor that EPA employees with connections to members of Congress should use their influence to sway lawmakers against a bill proposed by Representative Clifford Stearns (R-Fla.)—if it could be done ''without getting into trouble.'' Stearns' bill would have reduced funding for EPA. The scientist later said in a deposition: ''We were being asked to do this during government business hours, and the purpose was to protect EPA funding levels.'' This request on the part of high-level EPA officials to lobby Congress on government time is under investigation by the House Government Reform and Oversight Committee.

Had this been a Republican administration and had the department involved been other than the EPA, one can imagine the outcry in the media.

Asked about the growing criticism of her tactics, Browner blatantly ducks the question with: ''This isn't about me. It never has been about me. It's about the air being cleaner. Is the water going to be safer? It's about business going to be able to find a better solution to our environmental problems.''

It's really about politics. When supportive lawmakers ask to borrow EPA experts for their staffs, the EPA hastens to comply. Requests from liberal Democrats almost always are filled, those from Republicans rarely. A request by Representative Richard Pombo (R-Calif.) for an EPA detailee was rejected on Jan. 2, 1997 on the grounds that ''new procedures'' were being written. Less than four weeks later (Jan. 28), a similar request from liberal Democrat Representative Charles Rangel of New York was approved, without reference to any ''new procedures.''

Since 1995 her office has approved all requests for employee details to four Democratic lawmakers—Senator Frank Lautenberg (D-N.J.), Senator John Kerry (D-Mass.), Senator Daniel Patrick Moynihan (D-N.Y.) and Rangel. Of the four GOP requests, three were rejected.

Browner was at her politically impressive best in this summer's debate over the EPA's tougher clean air standards. Because air quality levels have improved markedly since passage of the Clean Air Act amendments of 1990, it was widely hoped—especially in areas that badly need new jobs—that the standards would not be further tightened. The EPA's own data showed that levels of the particulates have dropped dramatically over the past decade. Many local governments, anxious for jobs and economic development, were looking forward to being removed from the list of so-called nonattainment areas for ozone and particulate matter, or PM.

In July the EPA finalized new tighter standards for ozone and PM. For communities that had made expensive efforts to comply with the current law, the higher standards were like a baseball player, having rounded third base and heading toward home, being told he had to circle the bases again to score.

A good many congresspeople were outraged. Browner's insistence on imposing the new standards in the face of nothing more than scanty scientific evidence unleashed howls of protest from elected officials in the affected communities.

Legally, Browner was probably in the right. In its haste to seem to be attending to the environment, Congress failed to exert control over EPA standards and regulations.

There was nonetheless quite a donnybrook, with veteran Democrat John Dingell of Michigan leading the charge against Browner. A lot of jobs were at stake in Michigan, still headquarters of the U.S. auto industry. Congress, he insisted, should be consulted. Dingell was not alone.

With lots of support from Vice President Al Gore's office, Browner went to work putting down the congressional revolt. Her testimony before Congress was, by general agreement, brilliant, though her facts were often shaky.

Until then, Bill Clinton had remained on the sidelines. But Browner maneuvered the President into a corner, where he faced the politically embarrassing choice of supporting her controversial initiatives or disavowing his outspoken EPA administrator. Clinton then got to the head of the parade by declaring his support for Browner. The game was over. Browner 1, Congress 0.

If EPA's new standards survive congressional and legal challenges, state and local governments will have to devise elaborate State Implementation Plans, or SIPs, detailing their strategies for complying with the agency's latest regulatory diktat. And in accordance with the Clean Air Act, it will be up to the EPA to approve or disapprove the SIPs. The estimated cost of compliance with the new standards for the Chicago area alone is projected to be between $3 billion and $7 billion.

''I wish we never had that fight with Congress,'' she tells Forbes. ''I wish it could have been avoided. I think it came at great expense to the country. I think it was very unfortunate.'' Note the implication: The way it could have been avoided was for Congress to avoid challenging her.

You can admire Browner's skill and still be appalled by what she is doing. ''This is by far the most politicized EPA I've seen in my three decades of working in state governments,'' says Russell J. Harding, director of Michigan's Depatment of Environmental Quality. ''It is an agency driven more by sound bites than by sound science.''

Says Barry McBee, chairman of the Texas Natural Resource Conservation Commission: ''EPA continues to embody an outdated attitude that Washington knows best, that only Washington has the capability to protect our environment. States are closer to the people they protect and closer to the resources and can do a better job today.''

As a weapon to humble the state regulatory bodies, Carol Browner's EPA has embraced the politically correct concept of ''environmental justice.'' This broadens EPA's mandates even beyond protection of everyone's health.

In early 1993 Browner set up the Office of Environmental Justice within EPA which, among other things, passes out taxpayer-funded grants for studying the effects of industrial pollutants on poorer, mostly black, communities. In 1994 the White House supported this initiative by ordering federal agencies to consider the health and environmental effects of their decisions on minority and low-income communities.

That's the rhetoric. The reality is that the federal agencies have a new weapon for overruling state agencies. Browner's EPA recently delayed the approval of a $700 million polyvinyl chloride plant to be built by Japanese-owned Shintech in the predominantly black southern Louisiana town of Convent. Louisiana's Department of Environmental Quality had already given the go-ahead; the plant would have created good-paying jobs and opportunities in an area suffering from 60% unemployment and low incomes. But the EPA argued that blacks would suffer disproportionately from potentially cancer-causing emissions of the plant in an area already lined with chemical factories of all descriptions.

Louisiana Economic Development Director Kevin Reilly was enraged. ''It is demeaning and despicable for these people to play the race card,'' he says, pointing out that poor people and blacks would have gained economically and were at little health risk. The scientific evidence bears Reilly out: A recent article in the Journal of the Louisiana Medical Society found that cancer incidence in the area is in most cases no higher than nationally.

But never mind the facts: This kind of decision has less to do with science than with power politics. It delivers the message: Don't mess with the EPA. ''Carol Browner is the best hardball player in the Clinton Administration,'' says Steven J. Milloy, executive director of The Advancement of Sound Science Coalition in Washington, a longtime critic of EPA who acknowledges receiving funding from industry. ''She has the 105th Congress completely intimated by her debating skills and her sheer grasp of facts, however questionable. She eats their lunch.''

Like many Clintonites, Browner takes her own good time about responding to congressional requests for EPA documents. When word got out that EPA was developing a series of proposals for reducing U.S. emissions of man-made greenhouse gases, the House Commerce Committee asked for a copy. The EPA ignored the request for two years.

When the proposals were leaked to the committee late last week, it was immediately clear why EPA had stiffed Congress. The document was loaded with proposals for raising taxes to pay for new EPA initiatives. Produced in the agency's Office of Policy, Planning & Evaluation and dated May 31, 1994, EPA's ''Climate Change Action'' recommends a new 50-cent-per-gallon gasoline tax, with an estimated cost to motorists of $47 billion in the year 2000 alone. Seven other tax increases were recommended: a ''greenhouse gas tax,'' a ''carbon tax,'' a ''btu tax,'' an ''at-the-source ad-volorem tax'' on the value of the fuel at the source of extraction,

an ''end-use ad valorem tax'' on the value of the fuel at the point of sale, a ''motor fuels tax'' on the retail price of gasoline and diesel, an ''oil import fee.'' Also recommended: A new federal fee on vehicle emissions tests of $40 per person to ''shift the cost of vehicle inspection from the state to the vehicle owner.''

How could they hope to get so many new taxes through a tax-shy Congress? The ''Climate Change Action Plan'' contains repeated references to how each of the above taxes and fees can be imposed under existing laws. Talk about taxation without representation.

It's not entirely surprising that Browner and her crew think in terms of government-by-edict. Browner's extraordinary power is in many ways a consequences of Congress' delegation of its lawmaking power to the EPA. It has let the agency micromanage environmental activities throughout the nation with little regard for either local wishes or the cost. This negligence has permitted the agency to ignore scientific data that conflict with agency orthodoxy. The EPA is in many ways becoming a state within the state.

''This is Washington at its worst—out-of-touch bureaucrats churning out red tape with reckless abandon. The EPA hasn't taken into account an ounce of reality,'' says Representative Fred Upton (R–Mich.), a frequent critic, referring to the new clean air rules.

If science isn't Browner's strong point, political tactics are. Her enemies can only envy the way the EPA uses the courts. An organization such as the Natural Resources Defense Council will go into federal court and sue to force the EPA to do something. The EPA will wink and, after the courts expand its mandate, see to it that big legal fees go to the NRDC.

Mission creep, in short, takes many forms and its practitioners have many ways to plunder the public purse.

For her part, Browner often dismisses as simple male chauvinism any criticism of her hardball tactics. ''I think sometimes that it's an issue of men and women,'' she says, coyly.

Such cute demagoguery aside, there is no doubting Browner's sincerity. She is an environmentalist zealot. She was clearly behind the decision to tighten the clean air standards to what many people regard as unreasonable levels. If not a tree-hugger she is philosophically close to Al Gore and his quasi-religious environmentalism.

After graduating from University of Florida law school, Browner (both of whose parents were college teachers) went to work for a Ralph Nader-affiliated consumer advocate group. There she met her husband, Michael Podhorzer, who still works there.

She learned politics working on Gore's Senate staff, where she rose to be his legislative director before heading back to Florida to head the state environmental commission.

After the EPA, what's next for this tough and aggressive politician? If Al Gore's presidential hopes aren't dashed by the fund-raising scandals, there's vice presidential slot on the Democratic ticket up for grabs in 2000. A female environmentalist and mother of a young boy would do a lot to bolster Gore's otherwise soggy appeal.

In a statement to Forbes, Gore went so far as to try to claim for Browner some of the credit for the current economic prosperity. ''She has helped prove,'' he declares, ''that a healthy environmental and a strong economy are inextricably linked.''

If not a vice presidential run, what? Could Browner be nominated by the Clinton Administration to be the next head of the United Nations' environment program? Or would the Administration nominate her as the new U.N. Deputy Secretary General? Either position would give Browner instant international visibility, which couldn't hurt her political prospects in Washington.

One way or another, you are going to be hearing a lot more about Carol M. Browner; whenever you do, it's unlikely to be good news for business—and it may not even be good news for the environmental.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I believe that we have 30 minutes.

The PRESIDING OFFICER. There are 30 minutes under the control of the Senator from North Carolina [Mr. FAIRCLOTH] and the Senator from Kentucky [Mr. FORD].

Mr. FORD. Mr. President, the Senator from North Carolina is here. So with your permission, we will proceed.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. I thank the Chair.

(The remarks of Mr. FORD and Mr. FAIRCLOTH pertaining to the introduction of S. 1310 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Nebraska is recognized. There will now be 35 minutes under control of the Senator from Idaho [Mr. CRAIG] and the Senator from Nebraska [Mr. HAGEL].

THE GLOBAL CLIMATE TREATY

Mr. HAGEL. Mr. President, yesterday the President of the United States announced the United States negotiating position on the U.N. global climate treaty. Some have called the President's position a compromise. I would say that is the case only if you define compromise as an action that would have devastating consequences for the United States without any meaningful progress toward the overall goal.

This is how an editorial in Investors Business Daily defined the President's proposal yesterday morning. This doesn't make any sense. ''Signing a treaty that hobbles U.S. growth getting no environmental payoff in return.'' Now, here is what does make sense. ''Listening to science rather than overheated rhetoric and acting on the basis of real events, not computer models.''

The President's announcement follows along the same lines of what this administration has been pushing in international circles for years. No matter how he wraps his package, the President is still talking about making the United States, our businesses, our people, subject to legally binding international mandates while letting more than 130 nations off the hook. Most important for this body, the U.S. Senate, is how does the administration's position stack up against the Byrd-Hagel resolution which passed this body in July by a vote of 95 to zero? The Clinton administration's position announced yesterday falls woefully short on all counts.

The President obviously realizes this since he stated yesterday that America cannot wait for the U.S. Senate on this issue. The President said:

> I want to emphasize that we cannot wait until the treaty is negotiated and ratified to act.

This flies in the face of the Constitution and the powers it gives to the U.S. Senate to give approval for the ratification of treaties. Why does the President's proposal fall short? Regarding participation by the developing nations, the Byrd-Hagel resolution states very clearly that no treaty will get the support of the U.S. Senate unless, and I read from the Byrd-Hagel resolution, ''* * * unless the protocol or agreement also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for developing country parties within the same compliance period.''

That is very clear. I noted some of my colleagues yesterday, and others, have said what the President proposed yesterday is in full compliance with Byrd-Hagel. I strongly recommend to those colleagues who actually believe that, that they go back and read the Byrd-Hagel resolution. It is only five pages long. It is not legal. It is very clearly understood by everyone.

What this means also is that support of the U.S. Senate is contingent upon China, Mexico, India, Brazil and the other 130 developing nations committing to specific limitations on greenhouse gas emissions within the same time period as the United States and the other industrialized nations. Anything less, anything less than this, what is clearly defined in the Byrd-Hagel resolution put forward by the U.S. Senate, is not in compliance and it is the U.S. Senate that will have the final say on any treaty signed by the administration in Kyoto, Japan, in December.

At the same time President Clinton was calling for ''meaningful participation''—those were his words—meaningful participation by the developing countries, at the same time he was saying that, this is what his negotiator in Bonn, Germany, Ambassador Mark Hambley, was saying in a prepared release. ''In our view,'' said Ambassador Hambley, the President's negotiator in Bonn Germany this week—''In our view, this proposal is fully consistent with the Berlin mandate—it imposes no new substantive commitments on developing countries now. Instead, it calls for such obligations to be developed following the third conference of the parties'' in Kyoto in December.

I think that is rather clear, what Ambassador Hambley said: That the Third World, the developing nations, would not be called upon for any commitments, any obligations in this treaty. It is obvious that this administration has no intention of ensuring that the developing countries have to meet the same obligations as the United States.

What about the second condition of the Byrd-Hagel resolution, which stated the Senate would not ratify a treaty that would cause serious economic harm to the United States? Most of the economic impact studies are based exactly on what the President proposed yesterday, in terms of timetables, targets, reducing emissions to 1990 levels by the year 2010, and excluding the developing nations from any binding limitations of greenhouse gases. The President's own analysis shows that this will require a 30-percent cut in projected energy use by the year 2010.

So, we are going to cut our energy use, between now and the year 2010, by 30 percent; at the same time the administration says we don't have an economic analysis to really understand what economic impact this might have on our economy, on jobs. After a year and a half of the administration promising to me and others in both the House and the Senate that they would come forward with an economic model and economic analysis showing that there would be no harm to our economy, they have now said: Well, economic models don't mean anything. But we are going to surge forward and sign that treaty having no understanding whatsoever of what it might do to our economy, to jobs.

I have seen studies, I have seen economic models and analyses done by the AFL–CIO, done by independent economists, done by business, done by industry, done by the agriculture industry, farmers, ranchers. The results are not good. Here is what these studies have shown: Job losses in the millions for this country, lower economic growth in this country meaning a lower standard of living and less opportunities for all Americans, energy rationing. What the Clinton administration is talking about is the rationing of energy use in the United States.

Remember the gas lines the last time this country rationed energy use in the 1970's? I remember them very well. Energy taxes—I know the administration has said we don't think this is going to require any taxes. We are not sure, but we will kind of get going, sign that treaty and bind the United States to these commitments, and allow an international body to enforce and police and administer it. Maybe we will need more taxes, who knows, they say.

In an October 4 article in the Washington Times an unnamed Clinton administration official said that the President's proposal would raise energy taxes up to five times greater than the Btu tax the Clinton administration proposed back in 1993. That is devastating. That is devastating. Much of the State that I represent, Nebraska, is agricultural. Agriculture is an energy-intensive industry. When you start talking about raising taxes on energy five times greater than what President Clinton proposed in 1993, that will put literally thousands of farmers and ranchers and agricultural interests out of business. What I find incredible about this is at the same time the President is asking for fast-track legislation because we are trying to do something about our deficit of payments, deficit in the balance of payments to China, to Japan, all the other areas of trade we are trying to pursue, what this would do is go the other way, make our products less competitive because they would cost more. Higher prices for all goods because of higher energy costs mean American goods cost more worldwide, making American products and services less competitive in the world market. And when you are allowing China and Mexico and Brazil and India, South Korea, and 130 other nations not to legally bind themselves to this, what do you think happens in the world marketplace? Our products cost more, our services cost more, and these other nations' economies will thrive as their products cost less. Does that put us in a stronger competitive position worldwide? I don't think so.

The real question is, for what? Why are we doing this? Why are we doing this? The nations that would be excluded, the over 130 nations that would be excluded from this treaty are the nations that will be responsible for 60 percent of the world's greenhouse gas emissions within the next 20 years. Not the United States, the nations that we are not asking to bind themselves to this treaty.

China, which has said very forcefully that it will never agree to legally binding emission limits, will be the largest emitter of greenhouse gases by the year 2015. By 2025, China will surpass the United States, Japan and Canada combined, as the greatest emitter of greenhouse gases in the world. Yet we are not asking them to sign up to any legally binding mandate to do something about their greenhouse gas emissions. So how can any treaty that exempts these 134 nations be at all effective in reducing global greenhouse gas emissions? It will not. This is folly. This is feel-good folly. It makes great press, but it is insane that we would bind our Nation to this kind of folly and allow these other nations to go untouched.

What President Clinton proposed yesterday is for the American people to bear the cost and suffer the pain of a treaty that will not work. That is the legacy, or more appropriately the lunacy he would leave to the children of America. I have always said that this debate is not about who is for or against the environment. That is not the debate. We are all concerned about the environment. We are concerned about the environment we leave to our children and our grandchildren, our future generations. But let's use some common sense here. Let's use some American common sense.

Mr. President, in its present form, this treaty will not win Senate approval. We can do better. We must do better. Our future generations are counting on us to do better. Let's bring some balance, some perspective and some common sense to this issue and do it right.

Mr. President, I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I join with my colleague, the Senator from Nebraska, this morning to speak out against the proposal that our President yesterday announced to the Nation and to the world as it relates to this country's concept of how the world ought to be when it comes to the issue of global warming.

But first let me thank the Senator from Nebraska for the leadership role he is taking on behalf of a very large bipartisan coalition of Senators in bringing clarity to this issue and demonstrating what is a clear opposing point of view, an opposing point of view based on science, an opposing point of view based on economics and an opposing point of view based on one of the largest coalition-building efforts I have witnessed, at least in my public life, between labor and business and public officials in this country.

The Senator spoke out very clearly this morning on the discrepancy as it relates to what our President announced yesterday compared to what the Hagel-Byrd resolution that was adopted by the Senate some months ago spoke to. That was, if we are to enter an agreement, that agreement must be, by its definition, a world agreement, that all parties involved, that is, all nations of the world, must come together in recognition of what may or may not be an environmental problem.

I am disappointed that the President of the United States, clearly recognizing the constitutional obligation of this body, chose largely, yesterday, in his proposal, to ignore us. While he gave us lip service and while his spokespeople have given us lip service over the last several months since the almost unanimous adoption of the Hagel-Byrd resolution, I must tell you that what our President laid down for his negotiators in Bonn yesterday is not reflective of what he has been saying or what his people have been saying.

To the parliamentarians of the world, it is important that you understand that we are not a parliament and the President is not a prime minister. He does not speak for the majority of the U.S. Congress. He speaks for himself and for what I believe to be a narrow interest of people whose agendas take them well beyond just the concept of a better environment, but to a desire to do some industrial or economic planning nationwide, if not universally, all without any reliance whatsoever on the good judgment of the American consumer and/or the free market that this country has relied on since its very beginning.

''Serious harm,'' those are important words. Those are words that the Hagel-

Byrd resolution spoke to, ''serious harm to the U.S. economy.'' Important words, simple words, easy to understand, a relatively small measurement and threshold to be understood by anyone negotiating a treaty that, in the long term, might bind this country in an international obligation.

We will not, nor should we, seriously harm our citizens, the economy in which they live, and the opportunities for which they strive. And yet, the President, we believe, ignored that and talked about the need for catastrophic emissions reductions by the year 2012. Mr. President, 2012. A long time off? No, not really; clearly within my lifetime, clearly within everybody's reasonable imagination, and something that if you are to accomplish a 30-percent reduction of fossil fuel emissions off from the current path, then you must start now in significant ways to change that and alter it. It is something that you do not wait until you get out to 2008 and then you say, ''Oh, my goodness.'' Because if we are to be responsible in relation to a negotiated treaty, a ''binding'' relationship by that point would draw us into a situation that we could not meet, or, if we chose to meet it, we would truly handicap the economy of this country.

This Senator will not vote to make our country and its citizens second class to the rest of the world. I cannot nor will I do that nor do I believe any Senator in this body will knowingly vote in that way. Yet, the President is proposing that we allow 130 economies, 130 nations of the world, be exempt, to be able to do anything they choose while we would choose to restrict and control ourselves.

Mr. President, we are a nation today that is proud of its environmental legacy. We have moved faster and more directly in the last two decades to improve the environment in which our citizens live than any other nation of the world, and we have paid a big price for it. But we have been willing to pay it. We have been willing to pay it and able to pay it because we are a rich nation. Rich nations move to do things to clean up their environment. Poor nations simply cannot afford to. They are too busy trying to feed themselves, clothe themselves and put shelters over the heads of their citizens. All of those items in this country are secondary considerations because we take them for granted, because we are rich, and we are rich because of a free-market system unfettered by Government rule and regulation and, in my opinion, by the silly politics that this administration perpetrates today on faulty science or certainly a lack of science or a knowledge of what all of this means.

I have to say, in all fairness, the President gave some reasonable suggestions for conservation, and there is no question we ought to create the kind of incentives within our economy that move our citizens, and the economy that drives us, toward conservation. That is fair and that is reasonable, and we could assume a better world with all of that in mind.

But the thing that frustrates me most is that there is emerging out of all of the current negotiations a reminder that the developing world is saying something to us that is most significant, and I am not sure that our President is listening at this moment. They are, in essence, saying, and when they laid down their position on the table in Bonn on October 22, that developing countries are demanding reductions of 35 percent below 1990 levels of emissions and that fines be assessed against the United States and the other developed nations if those targets are missed. They want global warming gas reductions, but guess who is supposed to pay for it? Not the consumers of the developing world, but us rich Americans. Rich Americans are supposed to pay for any economic inconvenience the developing world would encounter because we are foolish enough to agree to impose these kinds of reduction targets on ourselves.

I am sorry, Mr. President, I don't buy that, the American consumer is not about to buy it, nor do I believe the U.S. Senate will.

So in 10 to 14 years, at about the time that the baby boomers are retiring and our Social Security system is challenged, at about the time when we are once again going to have to make tough decisions in this country about our social character and the economics that drive our social well-being, the President yesterday said we are going to lay yet a bigger burden on the economy; we are going to say that you are going to have to be at a certain level of emissions reductions and, if not, we are going to take drastic measures to drive up the cost of energy, to drive down the amount of consumption, and that's what we are prepared to do based on faulty science and interesting politics.

I suggest, Mr. President, that what you have proposed to the world and to the Nation and to this Congress is unacceptable. It certainly appears to be unacceptable at this moment to the U.S. Senate and to all who have spent any time studying the critical issue of global warming.

While this Nation will continue to strive for a cleaner world—and it should—and a cleaner nation and will be reasonable and responsible players, we expect the rest of the world to do the same. But we can also understand that where a nation tries to feed itself and clothe itself and cause its citizens, by the economy in which they live, to rise to a higher standard of living, we understand that we have had that privilege and opportunity over the years and we should not restrict nor should we cause them to achieve anything less.

Our technology can assist, and we need to be there to help. But I suggest, Mr. President, that binding obligations, no matter how far out you push them to allegedly conform with what our country believes ought to be done, simply do not work. This proposal won't work. I agree with my colleague from Nebraska, this Senate, in my opinion, will not concur in this, will not agree to the kind of treaty that our President and his associates are attempting to cause the rest of the world to agree to.

So, Mr. President, I hope that you understand and I hope the world understands that this Senate, the Senate responsible for the ratification of these kinds of agreements, will, at this time, not ratify what you are proposing.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I join my colleagues for just a few moments with respect to the question that we are addressing this morning, that question of global warming, but more particularly the specifics with respect to it.

I am sure you already heard, but let me say again, there was a measure adopted by this Senate 95–0 that expressed two main points: One, the United States should not be signatory to any treaty that would ''result in serious harm to the U.S. economy.'' And, No. 2, that mandates developing countries to have specific scheduled commitments to limit or reduce greenhouse gas emissions within the same compliance period.

So we have been working at this for some time. We have had several hearings in our Committee on the Environment and Public Works and also in Energy. We have had representatives of the administration there. This goes clear back to Rio, I think, in 1992. It goes back more specifically now to Geneva about a year ago, in which promises were apparently made at that meeting with respect to what the United States would do. We called the Assistant Secretary to our committee to talk about that. He indicated, no, that wasn't true, there were no commitments made. In fact, I think there were.

Now we move on to the meeting in Bonn, which will go on almost immediately, and then the Kyoto meeting to take place something over a month from now.

So this is the result of a good long time in planning and a good long time in difficulty in trying to bring together the issues as they relate to developed countries, as they relate to developing countries.

The President has finally made somewhat of an understandable statement. We have not had that before.

Just 2 weeks ago we had another hearing in our committee, brought the Assistant Secretary on Global Affairs to talk to us, asked specific questions about what they had in mind without any specific answers. There was no response from the administration's witness.

So now the President has come forth with statements. That is good. We should have had them some time before, statements which he indicates—

and I quote—''Would be painless and even economically beneficial.'' Of course that is what he would say. Many people disagree with that, including myself. I cannot imagine that whatever we do that is meaningful is going to ''be painless and economically beneficial.'' But specifically, of course we have not had time to analyze the full thing.

It talks about reaching 1990 levels by the year 2010, emission levels that occurred in 1990, reaching back to those by 2010, with some cap by 2008. And then to move below the 1990 levels by 2020. He calls that a fairly modest proposal.

Interesting how often these things are set out. I think if you go back, you find that the air quality statutes were given a great deal of time before implementation, so the argument was, ''Don't worry, don't worry about some regulation. Don't worry about the cost because it's way out in the future.'' I do not think that is a good recommendation.

We should worry about what the impacts are on the economy, what the impacts are on costs, what the impacts are on our ability to compete in the world and worry about them regardless of the fact that they are out there.

China, on the other hand, and some of the other countries that are developing countries, ask for a 15 percent reduction from the 1990 levels by 2010, a 7.5 percent reduction by 2025, 7.5 below 1990. Remember, the President said we will not reach 1990 until 2010. The Chinese and their group also want a 35 percent reduction from 1990 levels by the year 2020.

The problem, of course, is, as we go into this negotiation—and those who are involved say, ''Well, they've set the parameters, somehow the results will be between these two.'' That is kind of scary. The President is saying, this is where we are. They are saying, we want to be way up here. And probably they will end up somewhere in between.

I go back to the action of the Senate which 95 to nothing said we will not accept a treaty that does the kinds of things that we have already talked about.

So, Mr. President, I know this is a difficult problem. But I agree with my friend, the Senator from Idaho. We have done a good job of emissions.

I have been to China several times, and I can tell you, if you want to look forward to where the emissions problems are going to be, it is going to be there in those developing countries.

I think we need to make the changes that we want to have happen in our country, encourage others. But I am very concerned about us going to this meeting in Kyoto and coming out seeking to agree to the kinds of things that have been set forth by the developing countries who wish not to have any containment put on theirs.

So we are looking for a fair agreement. We are looking for some kind of an arrangement that will allow us to continue to do what we have done and we are proud of doing.

I think, Mr. President, that you need to be more specific than you have been with this idea that we want you to do some things, and then we will decide later what the reimbursement is going to be, we will decide later what the incentives are going to be, which I understand is what the President said yesterday.

So I think we need to continue. And I want to say to my friend from Nebraska that he has done an excellent job of holding hearings, taking positions, following this issue, which is one of the most important issues to the future of the country. And I commend him for that and join with him.

I yield the floor.

Mr. MURKOWSKI. Mr. President, the old adage says everybody likes to talk about the weather, but nobody can do anything about it. A particularly strong El Nino has meteorologists predicting strange weather this year, so expect lots of people to be talking about the weather in the months ahead. But in a new twist, many will claim that there is something we can do about the weather as well.

I'm talking about efforts to curb global warming. And if you'll pardon the pun, this is one of the hottest debates we are likely to see over the next year.

Is human activity the cause of this particularly strong El Nino, or the warming that some say is underway? Or is this just natural climate variation? Scientists are divided. The prestigious journal Science, in its issue of May 16, says that climate experts are a long way from proclaiming that human activities are heating up the earth. Indeed, the search for the human fingerprint in observed warming is far from over with many scientists saying that a clear resolution is at least a decade away. We continue to spend over $2 billion each year on the U.S. Global Climate Change Research Program for the simple reason that the science is not settled.

One thing that scientists can agree on is that the Earth's climate has always changed—the ice core and fossil records bear that out. Hippos once grazed in European rivers. Sea levels were low enough during periodic ice ages to allow humans to walk from Asia to North America. The climate changes. It always has. And it will continue to change regardless of what we do or don't do.

Yesterday, the President revealed his negotiating position on a new climate treaty. He has proposed reducing our carbon emissions to 1990 levels between 2008 and 2012. The Department of Energy estimates that we will have to engage in a crash course of research and development, plus impose a $50 per ton carbon permit price—or tax—to achieve this target.

Talks are underway at this moment in Bonn, and everyone is preparing for December negotiations in Kyoto, Japan. It is almost certain that legally binding targets and timetables will be a central feature of the new climate treaty expected to emerge in Kyoto—and that these targets and timetables will not apply to developing nations. Even if you are a proponent of strong action to address increasing concentrations of atmospheric carbon dioxide and other greenhouse gases thought to warm the Earth's climate, there are plenty of good reasons to oppose selectively applied, legally binding targets and timetables for greenhouse gas reductions as the President has proposed.

First, these are really just emissions controls targeted at just a few of the 168 nations that are parties to this treaty. Aside from being just plain unfair, these new emissions controls will be devastating to large sectors of our economy. They will raise energy prices in the United States, Canada, Australia, and Europe—while China, South Korea, and Mexico are specifically exempted from them.

As a consequence, energy-intensive industrial production, capital, jobs, and emissions will shift from the U.S. to developing nations not subjected to the new controls. What will result from that? According to a study by the Department of Energy: 20 to 30 percent of the U.S. chemical industry could move to developing countries over 15 to 30 years, with 200,000 jobs lost; U.S. steel production could fall 30 percent with accompanying job losses of 100,000; All primary aluminum plants in the United States could close by 2010; many petroleum refiners in the Northeast and gulf coast could close, and imports would displace more domestic production.

Needless to say, China, South Korea, Mexico, and some of our other most competitive trading partners salivate at the prospect of this monumental shift in capital, production, and jobs.

Putting economic and competitive aspects aside for a moment, it's important to ask the questions: Will these emissions controls applied only to a few nations work? Can they decrease emissions and stabilize atmospheric greenhouse gas concentrations?

The answer is no. Actual global emissions won't decrease—only their point of origin will change. In fact, because our industrial processes are more energy efficient than those found in most developing nations, global carbon emissions per unit of production would actually increase under the administration's approach.

In other words, the United States and a few leading industrial nations would suffer domestic economic pain, without realizing any global environmental gain.

The U.S. Senate has passed a resolution by a vote of 95 to 0 urging that the new climate treaty avoid legally binding targets and timetables on developed nations unless there are ''new, specific scheduled commitments to limit or reduce greenhouse gas emissions for Developing Country Parties within the same compliance period.''

Thus, we have the makings of a train wreck: The developing nations will not participate in a climate treaty that contains legally binding targets and timetables that apply to them. Yet, the U.S. Senate is unwilling to ratify a treaty that does not contain new commitments for developing countries.

There are other practical problems as well. Legally binding targets and timetables would be impossible to verify and enforce. For example, how does one measure the methane being produced by a rice paddy or landfill? How do you calculate the carbon dioxide being sequestered by a forest? While good scientific estimates can be offered, the legally binding nature of the controls might require greater precision. What kind of new strict and intrusive international regulatory regime would be needed for enforcement?

These are all questions that have not been answered in the rush toward Kyoto. Practically speaking, legally binding targets and timetables won't reduce global emissions. In addition, they present potentially insurmountable implementation problems, and would even kill the treaty. Thus, they endanger well meaning efforts to address the global climate issue.

If we want to keep the new treaty from becoming an international embarrassment as an environmental initiative, we should reconsider the rush to Kyoto and hammer out solutions that can really work.

So, you may ask—what can really work? How does one generate large amounts of carbon-free electricity for a growing economy here at home and a developing world abroad? There are two ways in the short term—hydropower and nuclear.

So what is our official U.S. policy toward hydropower? Domestically, we are studying tearing down a few dams out west. Environmental interests want to tear down, for example, the Glen Canyon Dam on the Colorado River in Northern Arizona in hopes of ''restoring the natural wonder of the once wild Glen Canyon.'' In so doing, we would: Drain Lake Powell—a 252 square mile lake which guarantees water supplies for Los Angeles, Phoenix, and Las Vegas; Eliminate the source of carbon-free electricity for four million consumers in the Southwest; Scuttle a $500 million tourist industry and the water recreation area frequented by 2.5 million visitors each year.

On the international front, we have refused to participate in efforts such as China's ''Three Gorges Dam,'' a project that will produce electricity equivalent to thirty-six 500 megawatt coal plants.

Of course, all this makes no sense if you claim that carbon emissions are your preeminent environmental concern.

Let's turn to nuclear, which produces 22% of our electricity and about 17% of global electricity. The President says he will veto our nuclear waste bill, and that could cause some of our nuclear plants to close prematurely as they run out of space for spent fuel. And we can't sell nuclear technology to China, something we hope to change in the very near future.

Well, you can't be anti-nuclear, anti-hydropower, and anti-carbon. Let's do the math: Coal produces 55% of our electricity, and our coal use is likely to decrease in the face of: A new climate treaty; the EPA's new air quality standards on ozone and particulate matter; the EPA's tightened air quality standards on oxides of sulphur and nitrogen; the EPA's proposed regional haze rule; and the possibility of a new EPA mercury emissions rule.

So if you knock coal out of the picture, what's next? Nuclear is in second place with 22% of our electrical generation. But as I mentioned, the President has threatened to veto our nuclear waste bill, and we haven't ordered a new nuclear plant since 1975. Moreover, if we can't recover ''stranded costs'' of nuclear power plants in the electricity restructuring effort, you can say goodbye to nuclear.

What's next? Hydropower produces 10%. But all of our large hydropower potential outside Alaska has been tapped, and as I mentioned earlier, the administration is entertaining notions of tearing down some dams.

What's next? Natural Gas produces 10% of electricity generation. Gas also emits carbon, although not as much as coal. So expect gas generation to increase, demand to rise, prices to increase and shortages to result from time to time. Does that sound like a solid strategy on which to gamble our economy?

No coal, no nukes, no hydro; that leaves us with 13% of our generation capacity. What's left? Wind power? I like wind and solar, but you can't count on them all the time. And recently, the Sierra Club came out against wind farms in California, calling them ''cuisinarts for birds.''

So the choices are tough, and a dose of realism is badly needed down at EPA and the White House. To sum things up, we are negotiating a treaty in Kyoto that is unrealistic, can't be verified, and can't achieve the advertised results. If this were an arms control treaty, we'd be guilty of unilateral disarmament if we were to agree to it.

We should reconsider this rush to Kyoto and a new treaty. There is no reason to join the lemmings in their rush over the cliff. The carbon problem didn't appear overnight. It won't be addressed overnight. We have time to devise and consider balanced approaches that can work. Time will allow new energy and efficiency technologies to mature. Time will provide for global solutions that include the developing nations. Time will allow us to sharpen our science and better understand the true threat of climate change, if it is indeed a dangerous threat.

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from New Jersey.

Mr. TORRICELLI. Thank you, Mr. President.

THE CENTRAL INTELLIGENCE AGENCY

Mr. TORRICELLI. Mr. President, since the founding of our Republic, we have faced a dilemma as old perhaps as the concept of democracy itself. That is how the Nation is governed: With an informed electorate, but at the same time we can protect the national security by containing information which might be used against ourselves.

This debate has largely, though not exclusively, been settled by the judgment that we are best served by informing the people so they can make the proper judgments about choosing the leadership of our country.

Indeed, this is the philosophy that gave rise to the first amendment to the Constitution, but perhaps more exactly also to article I, section 9, which reads, ''a regular Statement and Account of the Receipts and Expenditures of all public money shall be published from time to time.''

There has, however, in spite of this general judgment of the need to govern the Nation based on the best possible information to the electorate, and in spite of this rather specific constitutional provision, been a notable and exceptional exception in the Nation's accounting.

I speak obviously of the Central Intelligence Agency in its half-century determination to keep its accounting, its expenditures, private from the people of the United States. And, indeed, during both times of national conflict and in the broad period of the cold war it was a policy with a considerable rationale.

The United States faced, in the Soviet Union, an adversary which if in possession of our expenditures of the intelligence community would learn a great deal about our national intentions and our capabilities. But now some 7 years after the end of the cold war, there is no longer a rationale for not sharing with the American people at least the aggregate amount of spending of the American intelligence community.

I do not speak, obviously, of specific requirements for expenditures in individual programs or even broad categories of expenditures but whether or not the American people should be informed of the total aggregate spending since the United States no longer faces an adversary which, if in possession of that amount of expenditures, could make real use of it.

Last Wednesday, George Tenet, the new Director of the Central Intelligence Agency, perhaps because of this changed situation, took a very important step. In response to a Freedom of Information Act request filed by the Federation of American Scientists, Director Tenet ended 50 years of what

may have been unconstitutional secrecy and finally disclosed the aggregate budget numbers of the U.S. intelligence community.

I take the floor today, Mr. President, to applaud President Clinton and Director Tenet for taking this first step, but note with some considerable regret that this judgment was made in response to a lawsuit filed against the administration not with the support of this Congress and, indeed, in spite of a vote taken in response to an amendment that I offered on the floor of this Senate.

While I applaud Director Tenet, I also speak with regret that while the budget numbers were offered this year, they specifically were not made as a change in permanent policy, therefore, raising the specter that the American people are being provided this information in 1997, with the possibility they may never be given this information again.

That perhaps leads to the most cynical interpretation of all, that what is really feared by the intelligence community is not the sharing of this aggregate amount of spending with foreign adversaries, but if the American people have this number they would be able to gauge this year to next, to next, and into the future whether or not the intelligence budget of this country is rising or falling, whether it is too large or too small.

What is feared is that the American people will be as engaged in this debate as they are about Social Security spending or health care or education spending or even defense spending, which routinely is a part of the American political debate.

A 1-year number provides precious little information for public debate about the adequacy or the excessive nature of our spending. What, of course, is peculiar about this inability to inform the public is that defense spending, equally or arguably far more important to national security, is so routinely debated. Perhaps that is the reason why defense spending in the Nation today, excluding intelligence, is now 4 percent lower than defense spending in 1980, why in real dollar terms there has been in the last 7 years such a dramatic reduction in defense expenditures, while according to the Brown report, intelligence spending since 1980 in the United States has risen by 80 percent, an increase in spending almost without parallel.

It is worth noting as well, Mr. President, that in the bipartisan Brown Commission report, the commission could find no systematic basis upon which the intelligence budget is even created. In the Commission's words, ''Most intelligence agencies seemed to lack a resource strategy apart from what is reflected in the President's 6-year budget projection. Indeed, until the intelligence community reforms its budget process, it is poorly positioned to implement these strategies.''

Mr. President, other countries in the democratic family of nations have long recognized the need to include defense and intelligence priorities in their national debate over budgetary matters. Indeed, Australia, Britain, and Canada long ago lifted this veil of secrecy. I think, indeed, even the State of Israel, which today faces potentially more serious adversaries at the very heart of their democracy with a daily terrorist threat, long ago decided that its democracy was better served by sharing this information then continuing with the veil of secrecy.

So, Mr. President, in this notable year when for the first time the American people are given access to this information about intelligence spending, the burden now passes to this Congress whether or not we will allow this to be a single exception, or indeed we will now take the challenge and make this a permanent change in how we govern the national intelligence community.

I close, therefore, Mr. President, with the words of Justice Douglas, who in 1974 wrote in making a judgment about whether or not the budget should be revealed, ''If taxpayers may not ask that rudimentary question, their sovereignty becomes an empty symbol and a secret bureaucracy is allowed to run our affairs.''

More than 20 years later, Mr. President, this Senate still faces the same judgment. Director Tenet has met his responsibilities. I am proud that President Clinton allowed him to proceed. Now the question rests with us.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROWNBACK). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMPAIGN FINANCE REFORM

Mr. DORGAN. Mr. President, we are preparing to cast a vote on a cloture motion in another 10 minutes or so, and I thought it would be useful to take the floor of the Senate and describe not only for our colleagues but for those who watch the proceedings of this body what exactly is happening.

We are nearing the end of a legislative session. We expect from what the leaders have indicated that the Senate will continue for perhaps another 2½ weeks at the most. We have on the floor of the Senate a piece of legislation that we should consider and we should pass. It is called the ISTEA or the highway reauthorization bill. It is a very important piece of legislation.

Just prior to having this legislation on the floor of the Senate, we had a piece of legislation called campaign finance reform. That is a piece of legislation we should pass as well. It is interesting that both pieces of legislation were brought to the floor and tied up with ropes procedurally so that no one could do anything with either piece of legislation.

Why? One underlying reason: Because there are some in this Chamber who do not want to allow an up-or-down vote on campaign finance reform. They want to crow about campaign finance reform and how much they support it. They want to go out and talk about their desire to have campaign finance reform, but they don't want to allow this Chamber an opportunity to vote on campaign finance reform.

The fact is the American people know better. The American people know this system is broken and ought to be fixed. They know we need campaign finance reform, and they know that the votes exist in the Senate to pass a campaign finance reform bill. In fact, we have demonstrated on procedural votes there are at least 52, 54, perhaps 55 Senators who will vote for campaign finance reform. But can we get to the vote? No. Why? Because procedurally those who control this Senate have tied ropes around both campaign finance reform and now the highway bill in a manner designed to prevent having an uncomfortable vote on campaign finance reform.

When I talk about using ropes, I am talking about procedures called ''filling the tree.'' It is probably a foreign language to people who don't know what happens in the Senate, but it is a rarely used approach, filling the tree, which means establishing through parliamentary devices a series of amendments, first degree and second degree, that offset each other sufficient so when you are finished filling the tree, no one can move and no one can do anything.

The highway reauthorization, which is on the floor now, was brought to the floor and the tree was filled immediately. As I said, it is a rarely used device and almost always used to prevent something from passing.

Mr. TORRICELLI. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. TORRICELLI. I think the Senator from North Dakota makes an important point to the Senate, and that is that many of the American people are asking why, with all that we now know about campaign finance abuse and with the continued erosion of confidence in our electoral system, why a majority of this Senate is not prepared to vote for campaign finance reform.

The simple truth is, a majority of the U.S. Senate would vote today for campaign finance reform, for the most meaningful change in how money is raised and spent and we govern our elections in a generation. But a majority of this Senate is being prohibited from casting votes for this fundamental change, first by the Republican leadership, which is so intent on preventing a vote of the McCain-Feingold bill that it will filibuster, and second,

as the Senator from North Dakota has pointed out, by prohibiting procedurally the offering of any amendments to other legislation that will allow us to make campaign finance reform part of other legislation enacted on this Senate floor.

It is cynical. It is a deliberate, partisan tactic to keep an advantage in the financing of campaigns in this country. The cost is enormous. The cost is enormous, not simply in delaying other legislation, in stopping the work of this Congress, but in continuing and even fueling the erosion of confidence in the American people in the ability of this Senate to solve a real and legitimate problem.

Mr. DORGAN. The Senator from New Jersey is absolutely correct.

The Senator from Wisconsin, Senator FEINGOLD, who is on the floor, has, along with the Senator from Arizona, Senator MCCAIN, brought to us a bipartisan proposal to say, ''Let's fix this issue. Let's do something meaningful about campaign finance reform.''

Every day you look in the paper and there is something new, some new revelation about what has happened in campaign finances, and it is not good. It has been Democrats a good number of times, and I understand that, and I am uncomfortable with that. Today it happens to be Republicans in the Washington Post—$1 million-plus passed from big donors to other groups, then out to campaigns. So what you have is big money being moved into campaigns with an inability to trace any portion of the funds. Yesterday, the same thing, in a little race going on up in New York. Right now, $800,000 put into that race in issue advertising which is unfortunately, under today's system, a legal form of cheating.

I think it would be in the best interest of the American people that we brought to the floor of the U.S. Senate an opportunity to vote yes or no, up or down, on campaign finance reform and stop the silly dance going on.

Mr. TORRICELLI. If the Senator would yield—and I am interested in hearing Senator FEINGOLD on this issue—I think it is important that the American people now understand this is not a choice between a current campaign finance system in the country being governed under existing statutes or an alternative offered by Mr. MCCAIN and Mr. FEINGOLD. The simple fact is there is no governing law of American political campaigns today.

The legal system, which for more than 20 years has governed the financing of our campaign system, has collapsed. Corporate money is flowing into this system. Independent organizations are beginning to dominate the system. Even the political parties risk becoming side voices in a larger chorus. The system in this country of governing our campaigns has ended. The only issue is whether this Senate is now going to allow the majority to govern by passing a new system which will install some new integrity into our system of government. That is, indeed, the issue.

Mr. DORGAN. One of the reasons we are told they don't want to have a vote on this is because money is speech, they say. If that is the case, there are a lot of folks in this country who are voiceless in American politics.

There is too much money ricocheting off the walls in politics. We need to do something about it. Campaign finance reform of the type offered by Senator FEINGOLD and Senator MCCAIN is a step in the right direction. All we need to do is be allowed to have a vote on campaign finance reform.

Mr. FEINGOLD. Mr. President, on that point, let me agree strongly with the Senator from New Jersey and the Senator from North Dakota and highlight what will happen in a couple of minutes.

We will have a cloture vote that is purportedly on the issue of highway spending, but it is not about highway spending. It is not about transportation. It is not about investing in infrastructure. Those votes will come later. The vote we are going to have in a few minutes is about whether the first session of the 105th Congress is going to adjourn for the year without one single substantive vote on the issue of campaign finance reform and all the scandals that we have seen here in Washington. That is what is going on here. That is exactly what the American people have to be told in a straightforward manner.

The discussion that we just had here indicated what really happened a couple of weeks ago on the campaign finance reform bill. We thought we were going to have a serious debate on that issue. We thought there was going to be an opportunity not only to debate the overall bill but to offer Senators what Senators come here to do—the opportunity to offer amendments and modifications.

I was ready for that debate. These Senators were ready for that debate. The Senator from Arizona was ready for that debate. Even the junior Senator from Kentucky, the leading opponent of campaign finance reform, said he was ready for that debate.

Well, we were wrong, Mr. President. We never had such a debate. We never had such amendments voted on. We had a sham, a con game played on the American people. We had a process that was purposely rigged so that one way or the other the Republicans and Democrats would have to filibuster, or better yet, if possible, make both of them filibuster.

So my point is this: Let's have that debate. Let's have serious, substantive votes on this issue. Let's let Senators amend and modify and give their good ideas to the bill and then let the chips fall where they may.

Mr. President, I yield the floor.

FIVE IMPRESSIVE WINNERS OF IMMIGRATION ESSAY CONTEST

Mr. KENNEDY. Mr. President, a few months ago, the American Immigration Lawyers Association held an essay contest entitled ''Celebrate America'' for children in grades four through seven. The children were asked to write on the subject, ''Why I Am Glad America Is a Nation of Immigrants.'' Hundreds of children entered the contest, and I congratulate all the participants.

The winner of the contest was Veronica Curran, a fifth grader in St. Mark's School in Shoreline, WA, who wrote about her family's extraordinary immigrant history—she and each of her brothers and sister were adopted from different countries. Eric Eves of Goulds, FL, Crystal Kohistani of Plymouth, MN, and Joseph Opromollo of Morris Plains, NJ, wrote other top essays. All of the essays reflect pride in America's immigrant heritage, and emphasize the benefits of immigration for the United States.

I congratulate each of these young writers, and I ask unanimous consent that the five winning essays from the ''Celebrate America'' essay contest be printed in the RECORD.

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

COMING FROM AFAR

(By Veronica Curran)

Most immigrants are not famous people. They are just regular, ordinary people, like my family and me.

In America, people have opportunities. They have a chance to use their talents to improve America. My family is a good example of why immigrants are good for this country.

My father's family immigrated from Ireland. They lived on a very poor farm which was too small to support everyone. They came to Montana and worked long hours in a dangerous copper mine. They saved their money for their children to get a good education. My father is now a teacher. America helped their family and they helped America.

My mother's family were printers who moved from Switzerland, then to America. They were in trouble for printing books against the government. They were looking for freedom to express themselves. They helped America by being good thinkers.

Many students have immigrant stories like these. But my family's story is different because my brothers, sister and I were adopted from different countries. We all have our own stories. My oldest brother immigrated from Colombia. My sister's ancestors immigrated from Portugal. My other brother and I immigrated from India.

If America was not a nation of immigrants, my family would not have been created. Because America welcomes people from all over the world, our family members have come together to become American citizens. I hope we will grow up to help America.

LIKE A TREE

(by Eric Eves)

Like a tree, America is supported by many roots. Long ago Vikings used to tell tales of an enormous tree that supported the entire universe. The roots of this mighty tree grew down into the underworld. Its trunk held the earth and its evergreen boughs reached beyond the sky. When I think of the United States, I can't help but think of the United States as that tree. We are one of the most powerful nations on earth today, much thanks to our many roots that have come

from all corners of the world. Our evergreen boughs reach beyond the earth to space itself. It has taken many different people and many different kinds of people to make the United States what it is today.

Like a tree, America had to start from a seed—this seed being the natives, the Indians. It is believed that the Indians migrated from northeastern Asia, thousands of years ago, when there was a land bridge that linked North American to Asia. As we know, after the voyage of Christopher Columbus, Europeans started to immigrate to North America. This was the birth of our nation.

Like a tree, America started with a seed, was born, then it started to grow its roots—immigration. These immigrants have come and made the nation strong with their many strengths. Immigrants to the United States are people who have left their homeland for many reasons: war, social upheaval, economic calamities, political and religious persecution, but the greatest reason for people to come to America has been the desire to find greater opportunities. The United States has been known for a nation of immigrants. Since its birth it has taken in more than 55 million people, from every corner of the world. These people are welcomed and many have made enormous contributions to the culture and to the economy of the United States.

Like a tree, America has become a mighty nation with its roots grown from immigrants. Roots, anchor a tree in the ground, holding it firmly in place, so, that it doesn't blow over when storm winds blow. The roots of America, like a tree, has thousands of different people branching from it, spreading out in every direction. It is the roots of a tree that have more growth than its trunk or leaves, and, this we see here in America. Immigration has fed our country and made it what it is today—A Mighty Nation.

THE LONG JOURNEY TO AMERICA

(By Crystal Kohistani)

My story begins in 1983 when I was born. I was my parents first child. Both my parents were born and raised in Afghanistan, where I also was born. The religion in Afghanistan is Islam. The language is Farsi.

I was one year old and my brother, who was also born in Afghanistan, was eleven months old, when a war broke out between the Russian and Afghan communists against Muslim Afghans. The Russian communists wanted to overpower the Afghan country. Many people died. Innocent people. They bombed homes and shot people who would not side with them. One of those people was my grandfather. He was a highly respected, wealthy man. The communists wanted him to side with them, but when he refused they shot him to death. They thought since he was a leader to people, that the people would do whatever he did. When my parents heard of this they became scared and decided to leave the country. We started our Journey in 1984. My father had to leave a day earlier than us. He got on a bus that would transfer workers from and to the University of Afghanistan. My father was good friends with the driver so he agreed to drive him one hour out of town to a village. The next day a jeep came for us at 12:00 A.M. We had to leave at dark so no one would see us leaving. The communists would not let anyone leave the country. If you were caught, they either arrested you or shot you. We had sold our belongs and took our clothing and some food with us. The jeep took us to the village and we met with my father. From there, four armed men with horses and donkeys met us. We had to pay these men for the donkeys and horses. We also had to pay ten thousand dollars for each one of us to be transferred. These men were to take us to Pakistan. They took us from village to village. My mother held me on her horse and my father held my brother on foot. We had some family with us so there wasn't enough horses or donkeys for my father. Then early in the morning we reached another home. This home contained many people; a tiny room for two people were given to us. We had about ten people with us. We spent the night there. The next day we all got sick. Luckily my mother had medication with her. Then we set out again. We came to a bombed out house and spent another night there. We were all wet from the rain storm that had hit. We were so tired and hungry. Most of the places we stayed in were very dirty and smelly. They had rats, lizards and bugs. We had to sleep on the bare floor. We changed our clothes and got our rest. Later we headed towards a desert with little food and water. We saw many snakes. When we came out of the desert we were greeted by a wet and muddy path. Because of this we had to pass through the mountains. On the way a man tried to kidnap by brother from my mother, but when they saw the armed men they ran away. After the mountains we reached a dangerous valley, where many had died. After seven days we had reached the border of Pakistan. The officers at the border asked us some questions and then let us through. We thanked the men that helped us. The men returned to Afghanistan, perhaps to help another family. We got in touch with our relatives in Pakistan. They came, picked us up from the border and helped us look for a house. We lived in Pakistan for two years. After two years, my uncle, who lived in Minnesota sponsored us. We went from Pakistan, to Japan, to California, to Colorado, and finally to Minneapolis, Minnesota. I was three and half years old when I came here. I did not know any English. I am thirteen years old today. I am glad that I am here today, safe with my family. It was very hard for me to have two cultures. It confused me. But now I have learned to maintain two cultures. Some day I do hope I can go back to my country to visit. Although America will always be my country, for I was raised here. Right now there is war in Afghanistan still, but this time it's with the Tallibans. They are taking the religion Islam too far. They make it seem like a horrible religion, but it's not. What the Talliban are requiring of the religion is not what the Holy Quran is requiring. I am glad I am here today to tell the story of my dangerous migration. So that my grand children and so on can tell the story of their ancestor's migration. And some day I hope that the world can live in peace.

WHY I AM GLAD AMERICA IS A NATION OF IMMIGRANTS

(By Joseph Opromollo)

Red, yellow, olive,
Black, brown, white.
Splashes of color from God's own brush.
Splashes of color upon
Blue, green, brown,
Grey, red, beige.
Splashes of color which form an
Endless rainbow,
Which bleed together and blend into one.

The above symbolizes the diversity that is found in the United States of America. I am glad that the United States is a nation of immigrants. God has created all different nationalities of people to live on this world. For what reasons? For war? To fight each other because of our differences? No. I believe it was to live together in harmony and peace. This is why America is considered a melting pot.

In school I have learned many interesting facts about America's past. Although life was often hard for the immigrants, their fight for freedom allowed all to live peacefully together. I know if my great-grandparents did not dream of the freedom they would find in the U.S. and had not immigrated, I would not be here today.

Where else in the world can you find friends of every race, color and nationality? Like the colors of nature, the colors found in America add variety to our lives. Like the colors of an artist's palette, they can exist side by side and can also blend to form new colors. I am proud to live in America.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the modified committee amendment to S. 1173, the Intermodal Surface Transportation Efficiency Act:

Senators Trent Lott, John H. Chafee, Paul Coverdell, Christopher Bond, Jesse Helms, Michael B. Enzi, John Ashcroft, Don Nickles, Craig Thomas, Mike DeWine, Richard Lugar, Pat Roberts, Ted Stevens, Wayne Allard, Dirk Kempthorne, and Larry Craig.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the modified committee amendment to S. 1173, a bill to authorize funds for the construction of highways, for highway safety programs, and for mass transit programs, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The bill clerk called the roll.

The yeas and nays resulted—yeas 48, nays 52, as follows:

[Rollcall Vote No. 275 Leg.]

YEAS—48

Abraham	Enzi	Kyl
Allard	Faircloth	Lott
Ashcroft	Frist	Lugar
Bennett	Gorton	McConnell
Bond	Gramm	Murkowski
Brownback	Grams	Nickles
Burns	Grassley	Roberts
Campbell	Gregg	Roth
Chafee	Hagel	Sessions
Coats	Hatch	Shelby
Cochran	Helms	Smith (NH)
Coverdell	Hutchinson	Smith (OR)
Craig	Hutchison	Stevens
D'Amato	Inhofe	Thomas
DeWine	Jeffords	Thurmond
Domenici	Kempthorne	Warner

NAYS—52

Akaka	Daschle	Johnson
Baucus	Dodd	Kennedy
Biden	Dorgan	Kerrey
Bingaman	Durbin	Kerry
Boxer	Feingold	Kohl
Breaux	Feinstein	Landrieu
Bryan	Ford	Lautenberg
Bumpers	Glenn	Leahy
Byrd	Graham	Levin
Cleland	Harkin	Lieberman
Collins	Hollings	Mack
Conrad	Inouye	McCain

Mikulski	Robb	Thompson
Moseley-Braun	Rockefeller	Torricelli
Moynihan	Santorum	Wellstone
Murray	Sarbanes	Wyden
Reed	Snowe	
Reid	Specter	

The PRESIDING OFFICER (Mr. BURNS). On this vote, the yeas are 48, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1998

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to consideration of House Joint Resolution 97 with the joint resolution to be considered read for the third time.

The question is now on the passage of House Joint Resolution 97.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the passage of the joint resolution. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 276 Leg.]

YEAS—100

Abraham	Feingold	Lugar
Akaka	Feinstein	Mack
Allard	Ford	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Roberts
Burns	Helms	Rockefeller
Byrd	Hollings	Roth
Campbell	Hutchinson	Santorum
Chafee	Hutchison	Sarbanes
Cleland	Inhofe	Sessions
Coats	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
D'Amato	Kerry	Thomas
Daschle	Kohl	Thompson
DeWine	Kyl	Thurmond
Dodd	Landrieu	Torricelli
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Enzi	Lieberman	
Faircloth	Lott	

The joint resolution (H.J. Res. 97) was passed.

The PRESIDING OFFICER. Who seeks recognition? The majority leader.

THE SENATE SCHEDULE

Mr. LOTT. Mr. President, for the information of all Senators, under the provisions of rule XXII, the second cloture vote will occur immediately, unless changed by unanimous consent. We had the first cloture vote, which was not agreed to. Then we had the vote on the continuing resolution. I am glad we got that done now.

My intent had been to have the second cloture vote later on in the day to give Members time to assess where we were on the ISTEA, and see if they would like to have an ISTEA bill and see if there is a way to sort of get things that are wrapped around the axle moved in such a way that we could go forward with this very important transportation infrastructure bill. But I understand our Democratic colleagues will not grant consent for the cloture vote to occur at 3 o'clock today. They want the cloture vote right now. I don't think that is wise. I think we need 3 hours here to sort of assess where we are, have some discussions, and then have a vote.

So, with that in mind, I will shortly move to recess the Senate, then, until 3 o'clock today. Therefore, Senators can expect the next vote to occur at 3 p.m., on the second cloture motion with regard to the ISTEA highway infrastructure extension bill, and hopefully we will have some greater success there.

If we don't get cloture—- and I had hoped we would on the second cloture vote—we have a cloture motion filed and we will have another cloture vote on Friday. I know some Senators have things they need to do. I know there will be some Senators absent and therefore it would be even more difficult to get the cloture vote to pass on Friday.

If we don't get cloture then, as majority leader I have to make a call, after consultation with Members on both sides of this very important ISTEA transportation bill, as to whether we just pull it down and then next week try to move to other issues. We may have to have debate and votes on the Federal Reserve nominees. We have two Federal Reserve nominees that there is a hold on. It would be my intent to call those up because I don't think we ought to delay Federal Reserve nominees for any of our maneuverings around here. That could possibly be done on Monday.

We also have a judge on the calendar that we have cleared, except a vote is going to be required. So we probably would have that vote on Monday at 5 o'clock. And again, I am not locking all these in. I am just trying to advise Members where we are.

Then we could very well move to a variety of bills that are pending—they are very serious—that we would like to get done before we adjourn for the end of the year. That would include, of course, Amtrak reform, which we need very badly. A lot of good work has been done on it. We have, of course, a threatened Amtrak strike that we may have to act on. We have the juvenile justice bill. We have the adoption and foster care bill. I thought we had bipartisan agreement on that, but there seem to be some problems with it. But we will begin to look at bringing up other bills. Also, then, next week we hope to begin the fast-track legislation, with the intent of completing action one way or the other on fast track early the first week in November.

So that is kind of where it is. I think my inclination now is, if we don't get cloture this afternoon and we don't get cloture tomorrow, then we would have to just say, well, campaign finance reform took down the very important ISTEA infrastructure bill. That is kind of where we are, and I am prepared now to move that the Senate stand in recess until 3 p.m. today.

Mr. DORGAN. Will the Senator yield for a question?

Mr. LOTT. I will yield to the Senator for a question.

Mr. DORGAN. The Senator mentioned fast track. I would not expect us to have fast consideration of fast track. I would expect that piece of legislation would take some significant time. But that wasn't the reason I asked the Senator to yield.

There clearly is a wrench in the crankcase here and we are not moving. I suspect the Senator from Mississippi, the majority leader, feels the wrench is he's not able to get cloture on the highway bill and others feel that the wrench is that we are not able to get a vote on the McCain-Feingold legislation. I wonder whether we wouldn't, in the coming days, be able to accomplish both purposes. Are there circumstances under which we might be able to expect that we can proceed on the highway bill and proceed to find a way to have a vote in some fashion on the McCain-Feingold campaign finance reform bill?

Mr. LOTT. We have already had votes on the McCain-Feingold issue. It may not have been the way that some Senators would have liked to have had it, but we have had votes on it. There is not a consensus on what to do on campaign finance reform at this time that could get the approval of the Senate, which requires 60 votes. I mean, that is what the Senator from North Dakota has indicated he is going to force on the fast track. He's probably going to have a filibuster and we'll have to get 60 votes on cloture to move on fast track. He may be successful in blocking fast track, which the President is very anxious to get and, in a meeting earlier this week, requested that I schedule it before we go out, and I want to do that. But he understands full well what the rules of the Senate are, and he's going to take full advantage of them, and that's his right.

So, the same is applicable here. There is no consensus yet on how we can come together on campaign finance reform. This issue will come up again. I don't think it makes good sense for it to come up again this year. It will come up again in the future. I assume it will come up in a very different form in the future. Maybe not.

Maybe in many different forms. I realize Senators are going to try to have it considered again at a later time and, as the majority leader, the floor leader of the Senate, it would be my intent to try to schedule it in some orderly way, where Senators will know when it is coming. I have already indicated, and Senator DASCHLE has indicated, that we would like to see some action take place on it by the first week in March, either during that week or earlier perhaps. But we would need to look at the calendar for the year and look at the President's Day recess and work around that.

I don't see right now an agreement on how that would come up, because I just think the atmosphere, again, is not such that we can get an agreement worked out. Some people said, ''Oh, well, let's just have it freewheeling and let everybody offer whatever amendment they want to and see what happens.'' I'm not sure that's going to do us any good or the country any good, where we have a bunch of amendments where we try to pin each other's ears back and at the end of the day we have a filibuster and get nothing and we start off the year in a cranky mood and had a great roar and accomplish nothing.

I am prepared to continue to work with Senators on both sides of the aisle on both sides of the issue and look to how that is going to be handled next year. I am prepared to say now that I realize it is going to come up and I will schedule it. But I have not been able to get an agreement as to how that would be done, and I don't think we are going to get that done at this time.

Mr. DORGAN. Will the Senator from Mississippi yield?

Mr. LOTT. I will yield further.

Mr. DORGAN. One additional comment. I understand the points the Senator from Mississippi makes. He indicates he would bring it to the floor, that is campaign finance reform. He did that. But when the Senator from Mississippi announces, ''I don't understand how it would come up,'' it would come up in the regular order, offered as an amendment. The dilemma we have at the moment is the regular order is not allowed because we have a procedure on the highway reauthorization bill to fill the tree, which prevents a second-degree amendment at some point to get back into consideration of it.

I understand and accept all the points the Senator from Mississippi made about cloture and all those issues. I would just say this, that I think you only have to pick up the paper every single day to see the problems that exist all around in campaign finance reform. I think the Senator from Wisconsin and the Senator from Arizona have crafted an approach that we at least ought to be able to express ourselves on in some detail.

Bringing the campaign finance reform bill to the floor did not include the opportunity to actually get to those votes. We hope very much to have that kind of opportunity one way or the other in the future. That was the reason I inquired of the Senator from Mississippi to see whether we might not get to that point at some early point in the consideration of the Senate in the final days.

Mr. LOTT. Mr. President, again I want to emphasize that on this campaign finance issue, the idea of adding more laws on the books on top of the laws that are already there that are already impossible to comply with in many respects, and certainly not without lawyers and accountants and advisers to make sure that you are complying with the already convoluted, difficult campaign law requirements, we had three cloture votes recently on the campaign finance bill and we had two other cloture votes on the paycheck equity. We have had five votes. Cloture was not achieved, and cloture is very important. Just like what are we trying to do on ISTEA? Get cloture. What am I going to have to do on fast track? I am going to have to try to get cloture to cut off an extended debate so we can get to the substance of the issue and bring it to a head. We have had five votes. It's not as if we have not voted on this. Consensus is not there.

As far as picking up the paper and seeing the problems, yes, you can pick up the paper and see how the existing laws are being violated or maneuvered. Without saying who did it, which side, the fact of the matter is, what we need to do is to see if we can find ways to encourage people and get people to comply with existing laws before we start trying to add a whole bunch more on top of it that would limit free speech, that would limit people's abilities to have a fair shot at getting elected. That is what is at stake here. That is what I would like to be able to do, is maintain the ability to get my message across.

In my State, if I cannot raise the money to get my message across, there are those who are going to try to get it across for me, some of those same newspapers you are talking about. Yes, if I had to depend on them, I wouldn't be here. So what you are talking about is trying to find a way where a guy like TRENT LOTT can't get an opportunity to get his message across to the constituents. I don't want to give that up. I think I have a right to be able to raise the funds to try to make my case to the constituents of my State. I don't think—we cannot limit advocacy. We can't do that. This is still America.

But, again, to put it back in the calmer voice, we know it's going to come back up. Maybe someday we will quit trying to trump each other and try to see if there is some way maybe there might be some things that need to be done that we can agree on. I don't think we are there yet.

I would be glad to yield to Senator MCCAIN.

Mr. MCCAIN. I have just one comment. I understand the position the majority leader is in and the majority on this side of the aisle. I think we would all agree that the way we are going to move forward on this issue is if we all sit down together and try to work out something that is agreeable and fair, not only in our minds but in the minds of objective observers. I would, again, urge—the Senator from Kentucky is here on the floor—if we could just agree that we will take up this legislation sometime next year, with a certain amount of amendments and a cloture vote, leaving on both sides the right to filibuster if it is not agreeable to either side. But to not allow a single amendment that addresses this issue is what is frustrating, I think, clearly to the Senator from Wisconsin and me.

So, I urge all of my colleagues on both sides of this issue, if we could just sit down and say, ''OK, we will take up this issue at a date certain and we will give it a certain amount of consideration.'' It doesn't have to be unlimited amendments. It doesn't have to be even a large number of amendments. But, then, if at the end of that debate and voting and having Senators on record on the issue, we could then either filibuster or, which I think is the most likely result, is we could agree on a campaign finance reform that would be agreeable to all sides, we could move forward to the benefit of the American people. I want to thank the Senator, the distinguished majority leader. I thank the Democrat leader. I think that good effort has been made.

But all of us need to sit down and agree on this so we can address this issue, and the reality is, as the distinguished majority leader knows, we are going to address it sooner or later. I hate to see it hold up ISTEA. I don't like to see it hold up fast track. Clearly, it is in all of our interests not to have to impede the progress of the Senate.

I thank the majority leader for yielding to me, and I thank him for his continued courtesy to me on this issue which, obviously, he just displayed he feels very, very strongly about.

(Mr. GREGG assumed the chair.)

Mr. LOTT. I yield to Senator MCCONNELL.

Mr. MCCONNELL. Let me say, I agree with Senator MCCAIN. I think the issue at this point is really whether we are going to finish the highway bill and some other important legislation pending in the Senate. We had 7 to 9 days of debate on campaign finance reform. The majority leader is absolutely correct, there is no way he can or any of us can prevent further debate on this issue. As a matter of fact, we have been debating it for 10 years. It comes back almost every year.

I don't object to that. As someone who has not been in sympathy with McCain-Feingold, I certainly don't object to the debate. I enjoy it. We had 27 speakers on my side of the issue when we debated it a few weeks ago, and I don't mind debating it again.

Mr. MCCAIN. Will the Senator yield for a question?

Mr. MCCONNELL. Yes.

Mr. MCCAIN. Will he allow votes on amendments? That is the key to this. It is fun to debate. I enjoyed it, but at sometime or another, the Senate has to be on record on this issue.

So I respectfully request that he agree to some kind of format that we could agree on where there are votes, and if the Senator still does not agree, then he can filibuster or the majority on either side can filibuster depending on the result. That is the question I ask.

Mr. MCCONNELL. I say to my friend from Arizona, I am open to discussion about having lots of amendments on both sides and lots of debates, lots of votes. But it seems to me the issue here, 3 weeks before we get out, is whether we are going to finish other important legislation the majority leader would like to advance and I am sure the minority leader would, too.

We will have that debate next year. I am more than happy to discuss the context of the debate, the timing of the debate. I am confident that an issue this controversial will always be determined in a 60-vote context, as much as the Senator from North Dakota will assure that is what will happen on fast track. I am open to that discussion.

What I would like to see us to do is go on and pass some of the much-needed legislation the majority leader would like to push forward in the remaining weeks of the session.

Mr. KERRY. Will the majority leader yield?

Mr. LOTT. Yes, and after that, it will be my intention to yield the floor so Senator DASCHLE can make some comments and then after that, I will move the Senate stand in recess until 3 o'clock. I would like for Senator DASCHLE to have some time first.

Mr. KERRY. I say to the majority leader, obviously the leader takes precedence.

Mr. LOTT. Did you want to ask a question? I can yield the floor so he can have some time.

Mr. KERRY. Mr. President, it was my intention, before the leader came to the floor, and also in response to the Senator from Kentucky, to point out that the issue is not really simply whether or not we can finish the so-called important business of the Senate if that business is limited to the definition of the Senator from Kentucky, which is ISTEA and a few other matters.

Mr. LOTT. If you will yield, it is ISTEA, it is fast track, it is Amtrak, it is juvenile justice, it is foster care and adoption, even maybe the Endangered Species Act—I have not had a chance to meet with the interested parties there—product liability. We have a lot of stuff we can do here in the next 2 weeks if we can get a process to achieve that.

Mr. KERRY. And I think every Senator on this side agrees with that, but the question is larger than just that. The question is whether the entire caucus on the Democratic side and a portion of the Republican caucus is going to be permitted to know with certainty that an issue of equal and, in many people's judgment, greater importance, campaign finance reform, is going to receive its proper hearing on the floor of the Senate.

I think what the Senator from Arizona was asking the Senator from Kentucky didn't really get an answer. It is one thing to say we are willing to sit down and discuss this. That discussion has to come to cloture before we are able to proceed, because we are determined to know that we are going to have adequate capacity to be able to bring up amendments and have that kind of a thorough vetting of this issue.

Now, I agree with the Senator from Kentucky. This will take 60 votes. I think everybody over here understands that. And clearly we are going to have to come together in this process to arrive at those 60 votes. That is going to require us to do precisely what the leader said, which is not to be jockeying for advantage one over the other, and to find an evenhanded way to approach this. Right now we are not even having that discussion. So we are operating in a vacuum where we are being asked to accede to going forward on certain legislation without the understanding that we will be able to vote and to have these amendments come to the floor.

This can be resolved in 1 hour. It can be resolved in half an hour if the majority leader were permitted to simply say to us, we will have a date certain when we return in the winter, and with that date certain, we will have *x* number of amendments with a period of time to vote, and we will be able to take up campaign finance reform.

Mr. LOTT. Mr. President, I have said I know this issue will come up again, rightly or wrongly, and I would like to schedule it in a way for everybody to know when it is coming up. I think Senator DASCHLE and I can agree on that. What I can't guarantee the Senator from Massachusetts is a process that would match or fit his word ''proper'' or ''adequate.'' It is in the eye of the beholder. What you think might be proper may not be what some other Senator thinks is proper as to how it should be considered. And also, if you are talking about setting up a process where at the end you win on the McCain-Feingold version, whether it is the first or second one, we don't think that is proper.

So if the idea is you have to have a process where we can have a great big fight, after which nothing happens, or whereby you can be relatively assured you are going to be able to win the issue, we can't agree to that.

Mr. KERRY. But, if the majority leader will yield for a minute, I think we just agreed it is going to take 60 votes. The question is, we are never going to get to the point of understanding whether we can muster the 60 votes if we can't even have one vote on one of the major amendments that begins to sort out where people are and where you can find the common ground.

Mr. LOTT. We tried to get the vote on the paycheck equity amendment, and cloture was defeated twice on that. The situation may be different 3 or 4 months from now. I think the atmosphere is charged now in a way that makes it difficult for us to define now what the process will be. By the end of February, the first of March, something that might appear impossible now we might be able to work out. We can continue to talk about how we would do that.

Now, in the meantime, time marches on. The calendar is moving on. We are struggling to have committees meet that, by the way, need to meet so they can confirm Foreign Service or Ambassador nominations and judges. We are having trouble with that. We are trying to see if we can continue to move some of these people on the Executive Calendar. We have Members who are working on the highway transportation bill. Senator CHAFEE has been here now for a week and nothing has happened. Senator BYRD is very interested in this bill and has an amendment on which he has been working with Senator GRAMM and others. Senator BAUCUS is very anxious to see if we can't get going forward.

It is the usual process around here. Sometimes you get just completely bollixed. The only way you change that is you start moving—you move a little here, you move a little there. Senator DASCHLE and I have been trying to do that a little bit this week. We made a little progress here, a little progress there. If we can get these wheels creaking and moving forward, then who knows what will happen.

As long as we are hunkered down, saying, ''We've got to get this agreed to before we do that; if we don't get that, you don't get this,'' and we wind up getting nothing. I hope that is not what we will do. We can see. I hope we can get cloture on ISTEA. If we got cloture this afternoon, we would still be performing a miracle if we finish this bill by next Thursday, and if we don't get it done next week, how do we get fast track where we have been assured we are going to have extended debate on that, and maybe other games being played with that one?

I think we need to move the ball forward, get cloture, get on this bill, get some of these amendments offered that are very important and very critical to various States, the entire country. There are some other issues that will be hotly debated on this bill. We will still be here, and we will still have time to have meetings and talk about what we are going to do.

I think I just saw probably the greatest exchange between my two great friends of Scottish descent, MCCAIN and MCCONNELL, a moment ago. Who knows

what great things might happen once we start moving things forward?

Mr. FORD. Don't bet on that.

Mr. LOTT. Don't bet on that? The Senator from Kentucky will make sure that doesn't happen. I yield the floor so Senator DASCHLE can comment on his own time, and then I will move to stand in recess after that.

Mr. DASCHLE. Mr. President, I thank the distinguished majority leader for his comments and applaud him for making the effort that he has over the last several days in working with us to see if we can't find a way with which to resolve this impasse.

I want to clarify a couple of matters that I think ought to be understood as we work our way through the impasse. The first is that a cloture vote, a victory on cloture on the Chafee amendment may move the ball ahead slightly, but there are scores of Chafee amendments, all of which will be subject to the same cloture vote process, each taking 30 hours. So if you multiply 30 hours times 30 amendments, that is a lot of time, and we don't have a lot of time.

It is not only the amendments, but it is the titles themselves, the banking, the finance, the commerce titles that have to be added to the trunk of the bill. They, too, will be subject to cloture and will require a substantial amount of time.

So unless we get an agreement, even if the caucus, even if our Democratic caucus would vote for cloture, there are Senators who would oppose moving the ISTEA bill forward without an agreement, which brings us to the need to vote for cloture in any case.

So it is with unanimity the Democrats are hoping that we can work with our friends in the majority to see if we can't reach that agreement.

As to the agreement, the clarification I wish to make goes along the lines of what the distinguished Senator from Massachusetts has just noted, and others. What do we want? Well, we want a date certain. We would like the assurance that the so-called parliamentary tree is not filled; that we have an opportunity, as Senator MCCAIN noted, to offer amendments. We would like to take the bills in sequence—the McCain-Feingold and then perhaps the Lott bill having to do with the labor unions. That would be the desirable approach, a sequence of consideration, first of McCain-Feingold and then of the Lott bill.

We recognize that every amendment and the bill itself would be subject to the rules of the Senate which means you have to have 60 votes. It would seem to me that if you don't get 60 votes, you pull the amendment and would move on to another one. If we filed cloture on an amendment or required a 60-vote threshold, you could get through these amendments pretty quickly. If you don't get it, it falls, and we just keep going. Ultimately, if we don't get 60 votes on McCain-Feingold, it falls; it is over.

I do not think it would take that long. I think we could work through a procedure that would bring us to some closure on this bill. That is all we can ask. We cannot do anything more than make our best effort to persuade and come up with a parliamentary process that will allow us the right to protect Senators as Members of the minority, whatever the minority may be, on a given issue. And I believe a process like that would work.

Senator LOTT has been, I think, fair in his willingness to consider almost anything. We have Senators who are unable to agree at this point. But like others before me, I am hopeful that we can get an agreement, that cloture votes will not be necessary, that we can then finish ISTEA, that we can then move on to nominations and another array of issues next week. That is within our grasp, but it will take an agreement.

I think it is fair to say that it will not matter how many cloture votes we take, I do not think the votes will be different. A majority of the Senate voted against cloture this morning—a majority. Forty-five Democrats and seven Republicans voted against cloture. A majority, it seems to me, now want to resolve this matter.

So I am hopeful, Mr. President, we can do that. I think we can do it. I will stand ready to meet with anybody to come to some conclusion on how we might proceed. But I hope we do not give up.

Under the rules, as I understand them, we will go into a recess until 3 o'clock?

RECESS

Mr. LOTT. Mr. President, I move now that the Senate stand in recess until 3 p.m. today.

The motion was agreed to, and at 12:16 p.m., the Senate recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. KEMPTHORNE).

APPOINTMENT OF CONFEREES—S. 830

The PRESIDING OFFICER. Pursuant to the order of October 9, 1997, the Chair appoints the following conferees on Senate bill 830.

The Presiding Officer appointed Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. FRIST, Mr. DEWINE, Mr. KENNEDY, Mr. DODD, Mr. HARKIN, and Ms. MIKULSKI conferees on the part of the Senate.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Idaho, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the modified committee amendment to S. 1173, the Intermodal Surface Transportation Efficiency Act:

Trent Lott, John Chafee, Paul Coverdell, Christopher Bond, Jesse Helms, Mike Enzi, John Ashcroft, Don Nickles, Craig Thomas, Mike DeWine, Richard Lugar, Pat Roberts, Ted Stevens, Wayne Allard, Dirk Kempthorne, and Larry Craig.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the modified committee amendment to Senate bill 1173, a bill to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Mr. SARBANES] and the Senator from Maryland [Ms. MIKULSKI] are necessarily absent.

The yeas and nays resulted—yeas 48, nays 50, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—48

Abraham	Enzi	Kyl
Allard	Faircloth	Lott
Ashcroft	Frist	Lugar
Bennett	Gorton	McConnell
Bond	Gramm	Murkowski
Brownback	Grams	Nickles
Burns	Grassley	Roberts
Campbell	Gregg	Roth
Chafee	Hagel	Sessions
Coats	Hatch	Shelby
Cochran	Helms	Smith (NH)
Coverdell	Hutchinson	Smith (OR)
Craig	Hutchison	Stevens
D'Amato	Inhofe	Thomas
DeWine	Jeffords	Thurmond
Domenici	Kempthorne	Warner

NAYS—50

Akaka	Feinstein	Mack
Baucus	Ford	McCain
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Breaux	Hollings	Reed
Bryan	Inouye	Reid
Bumpers	Johnson	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Santorum
Collins	Kerry	Snowe
Conrad	Kohl	Specter
Daschle	Landrieu	Thompson
Dodd	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Feingold	Lieberman	

NOT VOTING—2

Mikulski	Sarbanes

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 50.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I ask unanimous consent that I might proceed for up to 5 minutes as if in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. KERRY. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senate will please come to order. The unanimous-consent request has been made.

The Senator from Massachusetts.

Mr. KERRY. I simply ask unanimous consent that I be permitted to follow for up to 5 minutes.

Mr. SHELBY. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I thought there was some kind of order here. Am I misinformed?

How much time does the Senator from Massachusetts want?

Mr. KERRY. Five minutes.

Mr. SHELBY. I have no objection to that because I am looking for about 20 or 30 minutes.

The PRESIDING OFFICER. If there is no objection, the Senator from New York is recognized for up to 5 minutes, followed by the Senator from Massachusetts for 5 minutes.

The Senator from New York is recognized.

HONG KONG STOCK MARKET DECLINE

Mr. D'AMATO. Mr. President, last night, the Hong Kong stock market lost 10 percent of its value. In the past week it has dropped 25 percent of its value. Panic stock selling has taken over the Hong Kong market. All stock markets around the world are declining very heavily. And as of 2:30 this afternoon the Dow Jones industrial average was down 215 points.

This is no coincidence. This is not just the normal fluctuation of the stock market. This is a warning sign of what could be yet to come in Hong Kong now that the Communist Chinese have taken over.

I have spoken out before on this floor about the dangers of the Communist takeover in Hong Kong and, regrettably, my fears appear to be coming true. There is a simple but profound lesson here for Americans and for all freedom-loving people around the world. Until recently, Hong Kong was an oasis of economic vibrance and freedom surrounded by the Communist dictatorship on the Chinese mainland. Hong Kong was economically strong because Hong Kong was free.

Freedom knows no boundaries. Whether it is in America or Europe or Africa or Latin America or Asia, freedom is what creates the opportunity for people and ideas to prosper, but wherever the Communists have ruled freedom dies.

Mr. President, the collapse of communism in Russia and Eastern Europe is one of the epic stories of our time, a true triumph of the human spirit against the forces of oppression. Unfortunately, the brave people of Hong Kong are suffering a reversal. It is tragic to see a free people come under the yoke of Communist rule.

There is still freedom of Hong Kong today, but the warning signs are ominous. We Americans, as the world's foremost champions of freedom, must remain vigilant in our efforts to prevent the Chinese Communists from imposing the full force of their dictatorship on the people of Hong Kong. I pledge to do that, and I encourage all of my colleagues to join me in this noble effort to be vigilant and not to permit the compromise of freedom on the altar of greed and profits.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for up to 5 minutes.

THE CLIMATE CHANGE TREATY

Mr. KERRY. Mr. President, the United States is currently engaged in negotiating a climate change treaty. This is a negotiation that we have literally only just really engaged in, in the sense that we have only now made clear to the world what our negotiating position will be, the critical elements from which we will proceed. I was somewhat troubled this morning to hear a number of our colleagues come to the floor of the Senate and, frankly, either considerably misstate or considerably misrepresent the very straightforward words of the President yesterday with respect to this subject. The following is the position that the President articulated yesterday.

No. 1, it is the goal of the United States to find a binding treaty which includes not just developed nations but developing nations as well.

No. 2, the U.S. goal is a binding treaty that seeks to bring greenhouse gases to 1990 levels between 2008 and 2012, so as to minimize economic costs to the United States.

And, finally, No. 3, the United States now will undertake policies to fully leverage market mechanisms, innovation, technology, and American ingenuity to make achieving emissions reductions less costly.

I remind my colleagues that all of these positions are completely within the framework of the resolution that the Senate passed, the Byrd-Hagel resolution. That resolution specifically said it must "mandate new commitments to limit or reduce greenhouse gas emissions for the annex I parties, unless the protocol or other agreement"—and I want to emphasize here, "other agreement." The President in his proposal has made allowance for the very "other agreement" potential that was contemplated in the resolution we passed. It specifically requires that other agreement, or the principal agreement, mandate new, and specific scheduled reductions for the developing countries within the same compliance period.

The second requirement that the Senate passed was that whatever agreement we reached would not result in serious harm to the economy of the United States. Let me emphasize, the term is "serious harm to the economy of the United States." Any fair reading of the President's remarks outlining our position would find that the President is completely within the framework of the Senate resolution. And yet, today, we really heard Senators completely misrepresenting that position and asserting that it is somehow outside of the Byrd-Hagel resolution.

I ask unanimous consent the full text of the President's comments be printed in the RECORD so people can judge for themselves the degree with which we are in compliance.

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

REMARKS BY THE PRESIDENT ON GLOBAL CLIMATE CHANGE BEFORE THE NATIONAL GEOGRAPHIC SOCIETY

The PRESIDENT. Thank you very much. Mr. Murphy, Mr. Vice President, to all of you who are here. I thank especially the members of Congress who are here, the leaders of labor and business who are here, all the members of the administration, and especially the White House staff members that the Vice President mentioned and the Secretary of Energy, the Administrator of the EPA, and the others who have helped us to come to this moment.

On the way in here we were met by the leaders of the National Geographic, and I complimented them on their recent two-part series on the Roman Empire. It's a fascinating story of how the Empire rose, how it sustained itself for hundreds of years, why it fell, and speculations on what, if any, relevance it might have to the United States and, indeed, the West.

And one of the gentlemen said, well, you know, we got a lot of interesting comments on that, including a letter referencing a statue we had of the bust of Emperor Vespasian. And one of our readers said, why in the world did you put a statue of Gene Hackman in a piece on the Roman Empire? (Laughter.) And I say that basically to say, in some senses, the more things change, the more they remain the same. (Laughter.)

For what sustains any civilization, and now what will sustain all of our civilizations, is the constant effort at renewal, the ability to avoid denial and to proceed into the future in a way that is realistic and humane, but resolute. Six years ago tomorrow, not long after I started running for President, I went back to my alma mater at Georgetown and began a series of three speeches outlining my vision for America in the 21st century—how we could keep the American Dream alive for all of our people, how we could maintain America's leadership for peace and freedom and prosperity, and how we could come together across the lines that divide us as one America.

And together, we've made a lot of progress in the last nearly five years now that the

Vice President and I have been privileged to work at this task. At the threshold of a new century, our economy is thriving, our social fabric is mending, we've helped to lead the world toward greater peace and cooperation.

I think this has happened, in no small measure, in part because we had a different philosophy about the role of government. Today, it is smaller and more focused and more oriented toward giving people the tools and the conditions they need to solve their own problems and toward working in partnership with our citizens. More important, I believe it's happened because we made tough choices but not false choices.

On the economy, we made the choice to balance the budget and to invest in our people and our future. On crime, we made the choice to be tough and smart about prevention and changing the conditions in which crime occurs. On welfare, we made the choice to require work, but also to support the children of people who have been on welfare. On families, we made the choice to help parents find more and better jobs and to have the necessary time and resources for their children. And on the environment, we made the choice to clean our air, water, and land, to improve our food supply, and to grow the economy.

This kind of commonsense approach, rooted in our most basic values and our enduring optimism about the capacity of free people to meet the challenges of every age must be brought to bear on the work that remains to pave the way for our people and for the world toward a new century and a new millenium.

Today we have a clear responsibility and a golden opportunity to conquer one of the most important challenges of the 21st century—the challenge of climate change—with an environmentally sound and economically strong strategy, to achieve meaningful reductions in greenhouse gases in the United States and throughout the industralized and the developing world. It is a strategy that, if properly implemented, will create a wealth of new opportunities for entrepreneurs at home, uphold our leadership abroad, and harness the power of free markets to free our planet from an unacceptable risk; a strategy as consistent with our commitment to reject false choices.

America can stand up for our national interest and stand up for the common interest of the international community. America can build on prosperity today and ensure a healthy planet for our children tomorrow.

In so many ways the problem of climate change reflects the new realities of the new century. Many previous threats could be met within our own borders, but global warming requires an international solution. Many previous threats came from single enemies, but global warming derives from millions of sources. Many previous threats posed clear and present danger; global warming is far more subtle, warning us not with roaring tanks or burning rivers but with invisible gases, slow changes in our surroundings, increasingly severe climatic disruptions that, thank God, have not yet hit home for most Americans. But make no mistake, the problem is real. And if we do not change our course now, the consequences sooner or later will be destructive for America and for the world.

The vast majority of the world's climate scientists have concluded that if the countries of the world do not work together to cut the emission of greenhouse gases, then temperatures will rise and will disrupt the climate. In fact, most scientists say the process has already begun. Disruptive weather events are increasing. Disease-bearing insects are moving to areas that used to be too cold for them. Average temperatures are rising. Glacial formations are receding.

Scientists don't yet know what the precise consequences will be. But we do know enough now to know that the Industrial Age has dramatically increased greenhouse gases in the atmosphere, where they take a century or more to dissipate; and that the process must be slowed, then stopped, then reduced if we want to continue our economic progress and preserve the quality of life in the United States and throughout our planet. We know what we have to do.

Greenhouse gas emissions are caused mostly by the inefficient burning of coal or oil for energy. Roughly a third of these emissions come from industry, a third from transportation, a third from residential and commercial buildings. In each case, the conversion of fuel to energy use is extremely inefficient and could be made much cleaner with existing technologies or those already on the horizon, in ways that will not weaken the economy but in fact will add to our strength in new businesses and new jobs. If we do this properly, we will not jeopardize our prosperity—we will increase it.

With that principle in mind, I'm announcing the instruction I'm giving to our negotiators as they pursue a realistic and effective international climate change treaty. And I'm announcing a far-reaching proposal that provides flexible market-based and cost-effective ways to achieve meaningful reductions here in America. I want to emphasize that we cannot wait until the treaty is negotiated and ratified to act. The United States has less than 5 percent of the world's people, enjoys 22 percent of the world's wealth, but emits more than 25 percent of the world's greenhouse gases. We must begin now to take out our insurance policy on the future.

In the international climate negotiations, the United States will pursue a comprehensive framework that includes three elements, which, taken together, will enable us to build a strong and robust global agreement. First, the United States proposes at Kyoto that we commit to the binding and realistic target of returning to emissions of 1990 levels between 2008 and 2012. And we should not stop there. We should commit to reduce emissions below 1990 levels in the five-year period thereafter, and we must work toward further reductions in the years ahead.

The industrialized nations tried to reduce emissions to 1990 levels once before with a voluntary approach, but regrettably, most of us—including especially the United States—fell short. We must find new resolve to achieve these reductions, and to do that we simply must commit to binding limits.

Second, we will embrace flexible mechanisms for meeting these limits. We propose an innovative, joint implementation system that allows a firm in one country to invest in a project that reduces emissions in another country and receive credit for those reductions at home. And we propose an international system of emissions trading. These innovations will cut worldwide pollution, keep costs low, and help developing countries protect their environment, too, without sacrificing their economic growth.

Third, both industrialized and developing countries must participate in meeting the challenge of climate change. The industrialized world must lead, but developing countries also must be engaged. The United States will not assume binding obligations unless key developing nations meaningfully participate in this effort.

As President Carlos Menem stated forcefully last week when I visited him in Argentina, a global problem such as climate change requires a global answer. If the entire industrialized world reduces emissions over the next several decades, but emissions from the developing world continue to grow at their current pace, concentrations of greenhouse gasses in the atmosphere will continue to climb. Developing countries have an opportunity to chart a different energy future consistent with their growth potential and their legitimate economic aspirations.

What Argentina, with dramatic projected economic growth, recognizes is true for other countries as well: We can and we must work together on this problem in a way that benefits us all. Here at home, we must move forward by unleashing the full power of free markets an technological innovations to meet the challenge of climate change. I propose a sweeping plan to provide incentives and lift road blocks to help our companies and our citizens find new and creative ways of reducing greenhouse gas emissions.

First, we must enact tax cuts and make research and development investments worth up to $5 billion over the next five years—targeted incentives to encourage energy efficiency and the use of cleaner energy sources.

Second, we must urge companies to take early actions to reduce emissions by ensuring that they receive appropriate credit for showing the way.

Third, we must create a market system for reducing emissions wherever they can be achieved most inexpensively, here or abroad; a system that will draw on our successful experience with acid rain permit trading.

Fourth, we must reinvent how the federal government, the nation's largest energy consumer, buys and uses energy. Through new technology, renewable energy resources, innovative partnerships with private firms and assessments of greenhouse gas emissions from major federal projects, the federal government will play an important role in helping our nation to meet its goal. Today, as a down payment on our mission solar roof initiative, I commit the federal government to have 20,000 systems on federal buildings by 2010.

Fifth, we must unleash competition in the electricity industry, to remove outdated regulations and save Americans billions of dollars. We must do it in a way that leads to even greater progress in cleaning our air and delivers a significant down payment in reducing greenhouse gas emissions. Today, two-thirds of the energy used to provide electricity is squandered in waste heat. We can do much, much better.

Sixth, we must continue to encourage key industry sectors to prepare their own greenhouse gas reduction plans, and we must, along with state and local government, remove the barriers to the most energy efficient usage possible. There are ways the federal government can help industry to achieve meaningful reductions voluntarily, and we will redouble our efforts to do so.

This plan is sensible and sound. Since it's a long-term problem requiring a long-term solution, it will be phased in over time. But we want to get moving now. We will start with our package of strong market incentives, tax cuts, and cooperative efforts with industry. We want to stimulate early action and encourage leadership. And as we reduce our emissions over the next decade with these efforts, we will perform regular reviews to see what works best for the environment, the economy, and our national security.

After we have accumulated a decade of experience, a decade of data, a decade of technological innovation, we will launch a broad emissions trading initiative to ensure that we hit our binding targets. At that time, if there are dislocations caused by the changing patterns of energy use in America, we have a moral obligation to respond to those to help the workers and the enterprises affected—no less than we do today by any change in our economy which affects people through no fault of their own.

This plan plays to our strengths—innovation, creativity, entrepreneurship. Our companies already are showing the way by developing tremendous environmental technologies and implementing commonsense conservation solutions.

Just yesterday, Secretary Pena announced a dramatic breakthrough in fuel cell technology, funded by the Department of Energy research—a breakthrough that will clear the way toward developing cars that are twice as efficient as today's models and reduce pollution by 90 percent. The breakthrough was made possible by our path-breaking partnership with the auto industry to create a new generation of vehicles. A different design, producing similar results, has been developed by a project funded by the Defense Advanced Research Products Agency and the Commerce Department's National Institute of Science and Technology.

The Energy Department discovery is amazing in what it does. Today, gasoline is used very inefficiently in internal combustion engines—about 80 percent of its energy capacity is lost. The DOE project announced yesterday by A.D. Little and Company uses 84 percent of the gasoline directly going into the fuel cell. That's increased efficiency of more than four times traditional engine usage.

And I might add, from the point of view of all the people that are involved in the present system, continuing to use gasoline means that you don't have to change any of the distribution systems that are out there. It's a very important, but by no means the only, discovery that's been made that points the way toward the future we have to embrace.

I also want to emphasize, however, that most of the technologies available for meeting this goal through market mechanisms are already out there—we simply have to take advantage of them. For example, in the town of West Branch, Iowa, a science teacher named Hector Ibarra challenged his 6th graders to apply their classroom experiments to making their school more energy efficient. The class got a $14,000 loan from a local bank and put in place easily available solutions. The students cut the energy use in their school by 70 percent. Their savings were so impressive that the bank decided to upgrade its own energy efficiency. (Laughter.)

Following the lead of these 6th graders—(laughter)—other major companies in America have shown similar results. You have only to look at the proven results achieved by companies like Southwire, Dow Chemical, Dupont, Kraft, Interface Carpetmakers, and any number of others in every sector of our economy to see what can be done.

Our industries have produced a large group of efficient new refrigerators, computers, washer/dryers, and other appliances that use far less energy, save money, and cut pollution. The revolution in lighting alone is truly amazing. One compact fluorescent lamp, used by one person over its lifetime, can save nearly a ton of carbon dioxide emissions from the atmosphere, and save the consumer money.

If over the next 15 years everyone were to buy only those energy-efficient products marked in stores with EPA's distinctive ''Energy Star'' label, we could shrink our energy bills by a total of about $100 billion, over the next 15 years and dramatically cut greenhouse gas emissions.

Despite these win-win innovations and commitments that are emerging literally every day, I know full well that some will criticize our targets and timetables as too ambitious. And, of course, others will say we haven't gone far enough. But before the debate begins in earnest, let's remember that over the past generation, we've produced tremendous environmental progress, including in the area of energy efficiency, at far less expenses than anyone could have imagined. And in the process, whole new industries have been built.

In the past three decades, while our economy has grown, we have raised, not lowered, the standards for the water our children drink. While our factories have been expanding, we have required them to clean up their toxic waste. While we've had record numbers of new homes, our refrigerators save more energy and more money for our consumers.

In 1970, when smog was choking our cities, the federal government proposed new standards for tallpipe emissions. Many environmental leaders claim the standards would do little to head off catastrophe. Industry experts predicted the cost of compliance would devastate the industry. It turned out both sides were wrong. Both underestimated the ingenuity of the American people. Auto makers comply with today's much stricter emissions standards for far less than half the cost predicted, and new cars emit on average only 5 percent of the pollutants of the cars built in 1970.

We've seen this pattern over and over and over again. We saw it when we joined together in the '70s to restrict the use of the carcinogen, vinyl chloride. Some in the plastics industry predicted massive bankruptcies, but chemists discovered more cost-effective substitutes and the industries thrived. We saw this when we phased out lead and gasoline. And we see it in our acid rain trading program—now 40 percent ahead of schedule—at costs less than 50 percent of even the most optimistic cost projections. We see it as the chlorofluorocarbons are being taken out of the atmosphere at virtually no cost in ways that apparently are beginning finally to show some thickening of the ozone layer again.

The lesson here is simple: Environmental initiatives, if sensibly designed, flexibly implemented, cost less than expected and provide unforeseen economic opportunities. So while we recognize that the challenge we take on today is larger than any environmental mission we have accepted in the past, climate change can bring us together around what America does best—we innovate, we compete, we find solutions to problems, and we do it in a way that promotes entrepreneurship and strengthens the American economy.

If we do it right, protecting the climate will yield not costs, but profits, not burdens, but benefits; not sacrifice, but a higher standard of living. There is a huge body of business evidence now showing that energy savings give better service at lower cost with higher profit. We have to tear down barriers to successful markets and we have to create incentives to enter them. I call on American business to lead the way, but I call upon government at every level—federal, state, and local—to give business the tools they need to get the job done, and also to set an example in all our operations.

And let us remember that the challenge we face today is not simply about targets and timetables. It's about our most fundamental values and our deepest obligations.

Later today, I'm going to have the honor of meeting with Ecumenical Patriarch Batholomew I, the spiritual leader of 300,000,000 Orthodox Christians—a man who has always stressed the deep obligations inherent in God's gift to the natural world. He reminds us that the first part of the word ''ecology'' derives from the Greek word for house. In his words, in order to change the behavior toward the house we all share, we must rediscover spiritual linkages that may have been lost and reassert human values. Of course, he is right. It is our solemn obligation to move forward with courage and foresight to pass our home on to our children and future generations.

I hope you believe with me that his is just another challenge in America's long history, one that we can meet in the way we have met all past challenges. I hope that you believe with me that the evidence is clear that we can do it in a way that grows the economy, not with denial, but with a firm and glad embrace of yet another challenge of renewal. We should be glad that we are alive today to embrace this challenge, and we should do it secure in the knowledge that our children and grandchildren will thank us for the endeavor.

Thank you very much.

Mr. KERRY. Mr. President, I also point out it is true that yesterday the group of 77 and China proposed a 15 percent reduction in greenhouse gases by the year 2010 under a framework that would exempt developing nations. That is a proposal that would do serious harm to the U.S. economy. It does completely ignore the growing contributions of developing nations to the problem. It anticipates a command-and-control model that would undermine all of the opportunities for cost savings inherent in the market-based solutions that the President has proposed. I believe that is a proposal that U.S. Senators ought to oppose, and I am confident we would. But that is not what the President will agree to. That is not what the President has proposed. That is not, clearly, the negotiating framework within which the United States will attempt to approach this treaty.

I urge my colleagues to read the remarks of the President so they will understand how fully it is within the framework of the resolution that the Senate passed. I hope my colleagues will stand back and really make judgments based on a fair appraisal of our negotiating position and ultimately what we hope to achieve in Kyoto.

Mr. President, before I yield, I would just say it is my hope, obviously, we are about to be able to talk about the framework in which we are going to proceed on campaign finance reform. I would like to thank all of those parties who have worked together to try to come to what I think is a reasonable agreement on that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I ask unanimous consent that I may proceed as in morning business for 20 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object—of course, I will not object—I wonder if I could get consent to be recognized after the majority leader and the minority leader, who are going be recognized a little later? Following their recognition, I would like to be recognized.

Mr. CHAFEE. Mr. President, I would object to that. I only can assume that the Senator wants to speak first. The business before us will be the ISTEA legislation.

Mr. BYRD. Yes.

Mr. CHAFEE. As manager, normally I would be the first, the one who would be recognized first, under that. I don't want to waive that.

Mr. BYRD. I ask unanimous consent that after Mr. CHAFEE is recognized, in that order, after the two leaders, then Mr. CHAFEE, if I could be recognized?

The PRESIDING OFFICER. Is there objection to the unanimous consent request by the Senator from Alabama? Without objection, it is so ordered. The Senator from Alabama is recognized for up to 20 minutes.

Is there objection to the unanimous consent request by the Senator from West Virginia, that he would follow the Senator from Rhode Island? If not, it is so ordered.

Mr. BYRD. I thank the distinguished Senator from Alabama for his characteristic courtesy.

Mr. SHELBY. Mr. President, at this point I yield 2 minutes of my time to the distinguished Senator from Idaho.

NUCLEAR WASTE

Mr. CRAIG. Mr. President, today Richard Wilson, who is the Assistant Administrator for the Environmental Protection Agency's Office of Air and Radiation, has announced that they have given preliminary certification to the waste isolation pilot plant in Carlsbad, NM. To Idaho and to the Nation, this is good news, because for the first time in decades we are on the threshold of beginning to move radioactive waste to a permanent repository, and the waste isolation pilot plant in Carlsbad will handle the transuranic waste, a majority of which is stored in my State of Idaho. This is consistent with an agreement that DOE struck with the State of Idaho over a year ago. EPA's action today is also consistent with a request by Congress that EPA review the facility in Carlsbad, NM, to make sure that it met the standards that we had asked for human safety, environmental protection, and of course dealing with any potential radiation. They believe it does not. Now they must go to the public process.

We hope they will move as quickly as possible in that, because Idaho and the rest of the country deserves to know that by 1998 we will begin to see nuclear waste moving to a safe, permanent repository that this Government and this Senate has asked for well over a decade ago.

I thank my colleague from Alabama for yielding.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I yield 1 minute to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

LET LIVAN BE SEEN

Mr. MACK. Mr. President, tonight millions of Americans will settle into their easy chairs to watch game 5 of the World Series. They will see 22-year-old Cuban-born pitching sensation Livan Hernandez take the mound in his second World Series start for the Florida Marlins.

And for the first time in this Series, the people of Cuba may have the opportunity to join the millions around the world to cheer Livan. Thanks to the graciousness of Major League Baseball and interim Commissioner Bud Selig—Radio and TV Marti will broadcast tonight's game to the people of Cuba.

Now it is up to Fidel Castro to allow his people to watch their hero pitch. Cuba has consistently jammed Marti's broadcast signal. But tonight should be different. Tonight should be special because it is Livan's night.

Mr. Castro, I have a message for you from the American people and baseball fans everywhere: Stop the jamming. Let Livan be seen in Cuba.

For the good of your people and for the good of the game we all love so dearly, please, let Livan be seen.

The PRESIDING OFFICER. The Senator from Alabama.

UNITED STATES-CHINA SUMMIT

Mr. SHELBY. Mr. President, this weekend, Chinese President Jiang Zemin arrives in the United States for the first state visit by a Chinese official since 1985. As you know, China has been described by many experts as the No. 1 foreign policy challenge that the United States will face in the 21st century. Next week's summit will help set our course as we respond to that challenge.

I have traveled to China six times since I first visited in 1983. Most recently, I traveled to Beijing, Shanghai and Hong Kong during the August recess where I met with numerous senior Chinese leaders, including the Chinese Foreign Minister.

In my many visits and contacts, I have witnessed the enormous, and overall positive, changes that have taken place in China since the death of Mao. Yet, while China today is clearly not the China of the cultural revolution, neither is it a ''former Communist country,'' as President Clinton has suggested.

As chairman of the Senate Select Committee on Intelligence, I am especially interested in Chinese foreign and military policies and Chinese intelligence activities, particularly those that pose potential threats to vital American interests. Last month, I convened in the Intelligence Committee exhaustive hearings into Chinese threats to United States national security, including the reported Chinese plan to influence United States elections.

I am well aware that there is no country that poses such risks, such opportunities, and such dilemmas for United States foreign and security policy. It is clear that China today, as an emerging economic and military power in the post-cold war, has the option, and increasingly the will, to challenge vital United States interests around the globe.

It is equally clear that despite the demise of communism virtually everywhere around the globe, and despite China's extensive and impressive economic liberalization, the Chinese regime remains determined to maintain its repressive domestic political system.

I will shortly address these issues in greater detail, but, first, I would like to make just a few general points.

When President Clinton meets with President Jiang, he will have the opportunity to define the United States-China relationship in a way that defends vital United States interests and promotes the values upon which our country was founded, while recognizing at the same time legitimate Chinese interests and aspirations.

But President Clinton, I believe, must make it clear that if China wishes to be accepted as a responsible world power, it must act as a responsible world power. If China wishes to work together to promote peace and stability in the region and the world at large, as President Jiang suggested in a press interview last weekend, it must not undermine peace and stability in Asia and around the world by reckless and aggressive actions. And President Jiang, I believe, is wrong when he invokes, for example, Einstein and the theory of relativity to justify China's refusal to comply with norms and ideals which, while not yet universal, are on the march worldwide.

Relativity, as most of you know, is an immutable law of physics. Relativism is something altogether different, and it is not a concept to which we as Americans subscribe.

President Clinton, I believe, must respectfully make it clear that the President of China is wrong when he says that ''democracy and human rights are relative concepts and not absolute and general.''

Our Founding Fathers did not speak in relative terms when they wrote:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

The courageous demonstrators in Tiananmen Square echoed these ideals when they tried to peacefully exercise their right of consent. They adopted our Statue of Liberty as their symbol, and we saw it brutally destroyed by Chinese tanks on TV.

In one final general point, we sometimes hear the refrain from the Chinese that they do not wish to be bound by sets of rules and norms that they had no say in creating.

There are certain truths that are not limited by time and geography, and the ''inalienable Rights'' spoken of by the

Founding Fathers, I believe, are among them.

Proliferation and security issues are very important. With the end of the cold war, and the end of the Soviet massive military threat that had provided the glue for the United States-China relationship since its beginning, China has increasingly been willing to challenge core United States interests, by the destabilizing proliferation of weapons technology, and by direct and indirect threats against United States friends and allies.

In June of this year, the CIA's nonproliferation center reported that China was ''the most significant supplier of [weapons of mass destruction]-related goods and technology to foreign countries'' in the second half of 1996.

China's sales of antiship cruise missiles, ballistic missile technology, chemical weapons, materials and nuclear technology to Iran, a hostile country whose military forces threaten United States interests in an area of vital national concern, directly endanger the lives of American soldiers, sailors and airmen, and, as we know, threaten our ability to defend our interests in the region.

Further, these same weapons serve to intimidate our friends and our allies in the Persian Gulf region. The last time the United States was compelled to defend its interest in the region in Operation Desert Storm, we were able to create a coalition of friendly states, many of which were willing to accept the deployment of United States forces on their soil. Who can say, though, in the future that our allies would respond in the same way in a future conflict if they were faced by a credible threat of Iranian missiles bearing nuclear, chemical or biological warheads?

The threat from Chinese technology sales is not limited, Mr. President, to weapons of mass destruction. Accurate, conventionally armed missiles, especially antiship cruise missiles like the C–802's that China has sold to Iran, pose a serious danger to United States forces. Remember the U.S.S. Stark. Bear in mind that the single greatest American loss of life in the Persian Gulf war occurred when an Iraqi Scud missile with a conventional payload struck a barracks in Dhahran, Saudi Arabia.

It is difficult to speak of ''working together to promote peace and stability'' when, for example, China has reportedly supplied Iran with hundreds of missile guidance systems, and in the second half of 1996 contributed ''a tremendous variety of assistance'' to Iran's missile program, according to the CIA.

The transfer of nuclear and missile technology to Pakistan, despite repeated United States objections, jeopardizes the stability of South Asia and flies in the face of United States nonproliferation goals, even though it is less of a direct threat to United States forces. But by increasing the likelihood of a nuclear war that could kill millions of innocent people, China jeopardizes its claim to be seen as a responsible world power.

It is in this context that we consider the administration's reported plans to announce the implementation of the 1985 United States-China Agreement for Nuclear Cooperation. This agreement cannot, by law, be implemented until the President certifies to Congress that China has met a number of conditions, notably, one, that effective measures are in place to ensure that any United States assistance is used for the intended peaceful activities; and, two, China has provided additional information on its nuclear nonproliferation policies, and that based on this and all other information, including intelligence information, China is not in violation of paragraph 2 of section 129 of the Atomic Energy Act which, among other things, bars United States nuclear assistance to any country that has assisted any other country to acquire nuclear capabilities and has failed to take sufficient steps to terminate such assistance.

According to press reports, Mr. President, China has made or is willing to make a number of commitments in order to obtain this certification. United States diplomats are now in Beijing trying to nail down an agreement on these issues. And at this stage, after years of hair splitting and denying with respect to similar commitments in the past—hair splitting and denial, I might add, on the part of both Governments—these commitments must be, I believe, unambiguous and in writing if they are to convince the United States Congress.

Just last week, China joined the Zangger Committee, which imposes some modest controls on nuclear exports. The administration also reportedly believes that China has complied with its May 1996 commitment not to provide assistance to any unsafeguarded nuclear facility.

In addition, China has reportedly agreed to cease selling antiship cruise missiles to Iran. While agreement on nuclear cooperation is not conditioned on such transfers of advanced conventional weapons, it would certainly be difficult for the administration to argue for nuclear cooperation while China was continuing to sell advanced munitions that could be targeted on U.S. naval vessels protecting freedom of navigation in the Persian Gulf.

As a result of these actions, and other actions, administration officials believe they can make the statutorily required certification, if not at the summit, then in the foreseeable future. If and when such a certification is made, the Congress will have the opportunity to review and, if necessary, overturn this certification.

As chairman of the Intelligence Committee, I am asking the Director of Central Intelligence to provide the Intelligence Committee with the information upon which the administration would base its determination. The committee will also closely scrutinize this intelligence to ensure that it does support the administration's determination, whatever it is.

But, Mr. President, without prejudging my decision, should the matter come before the Senate, I have the following concerns about early implementation of a nuclear agreement. It seems likely today, Mr. President, and for the immediate future that China lacks the military forces to seriously challenge the U.S. military power in the region.

However, Mr. President, as the only great power whose defense spending has increased in recent years, China is acquiring advanced missile, naval, air, amphibious, and other forces capable of projecting power in East Asia and the Pacific region.

In addition, Mr. President, the Chinese military apparently has learned the lessons of the American victory in the Persian Gulf war, which demonstrated the superiority of modern technology.

Second, in its commitments to date, China has, in effect, agreed only to control sales to unsafeguarded nuclear facilities. This commitment sounds useful on its face, but it is potentially meaningless in countries like Iran and Pakistan that are reportedly pursuing a clandestine military program, because equipment, materiel, and know-how from safeguarded facilities can be transferred to other unsafeguarded facilities, as we all know.

Third, Mr. President, the Congress will want to closely scrutinize the text of any commitments by the Chinese Government.

In particular, I believe we must ascertain whether these recent promises are limited to halting any future cooperation or trade in strategic technology or, Mr. President, whether they also apply to ending existing contracts and transactions that have been ongoing.

If they are only to apply to future activities, then I would be concerned that a whole host of ongoing and dangerous cooperative ventures between China and Iran and other countries would in effect be ''grandfathered'' and thus not prohibited.

Fourth, China must recognize that mere grudging compliance with the letter of its international agreements does not make China a responsible member of the world community. I believe, Mr. President, that China must go beyond a narrow reading of its obligations to demonstrate by actions as well as words that it accepts, as it has not done in the past, that the spread of dangerous and destabilizing military technologies is not in anyone's interest, including China's.

China, I believe, should, therefore, cease its cooperation with all Iranian nuclear, missile, and other military programs, even if a particular transaction may be permissible under the Nuclear Non-Proliferation Treaty, the Missile Technology Control Regime, or other international legal agreements.

I would like to know, Mr. President, how the Chinese foreign and military policy in Asia will work in the future.

In the wake of the cold war, China, which for years viewed the U.S. presence in East Asia and the Western Pacific as a stabilizing force, now resents a security structure that is increasingly viewed as intended—to quote some of them—to ''contain'' China. Most troublesome, China has shown a willingness to pursue its goals in the region by the threat or use of force.

Mr. President, as we were reminded in last year's Taiwan Straits crisis, Beijing has never renounced the use of force to reunify Taiwan with the mainland.

President Clinton, I believe, will have an opportunity to have a serious discussion with the Chinese President about how bracketing Taiwan with missiles, followed by a thinly veiled threat against the United States, comports with his stated goals of ''maintaining peace and stability in the region and the world at large.''

Our President also must make clear, I believe, our determination that the Taiwan issue be resolved peacefully so that China will never be tempted to resolve it by force.

In addition, Mr. President, to tension over Taiwan, China has used and threatened force to enforce its other claims in the South China Sea. This undermines a lot of allies and friends.

It seems likely that today and for the immediate future, Mr. President, China lacks the military forces to seriously challenge U.S. military power in the region. However, as the only great power whose defense spending has increased in recent years, China is certainly acquiring advanced missile, naval, air, amphibious and other forces capable of projecting power, as I reminded my colleagues just a few minutes ago.

Mr. President, to speak of human rights in the area there, in 1996, in a damning and exhaustive report on Chinese human rights practices, the State Department concluded that ''almost all public dissent against the central authorities was silenced by intimidation, exile, or imposition of prison terms or administrative detention.''

In addition to its suppression of political dissent, China continues to maintain a cruel and massive network of forced labor camps. They continue also an inhumane one-child policy, including forced abortion, repression of religious groups, use of forced labor, and ongoing repression in Tibet.

President Clinton, I believe, must place President Jiang on notice that Americans are offended by the notion that human rights are ''relative'' and that their practices fit within an acceptable definition of human dignity.

I believe, Mr. President, we must ask ourselves, how much real progress can we make in our relationship with China as long as the regime feels compelled to stamp out every ounce of political dissent and believes that it cannot survive without the ''laogai'' labor camp system?

Mr. President, on a somewhat more positive note, economic developments, both within China and between China and the United States, continue to generally move in the right direction. However, we encourage China to continue to take the painful but necessary steps to qualify China for membership in the World Trade Organization, notably in the area of opening China's markets. The sooner they do, I believe, the better off they will be.

We are also encouraged to see some meaningful progress on the protection of intellectual property rights.

Americans support China in its search for prosperity for its people. But we do not, Mr. President, support, and will not tolerate, attempts to build prosperity by ignoring the rules of international trade. Nor will Americans support prosperity built, even in part, on the backs of forced laborers or prosperity that is the result of a Faustian pact in which the Chinese people are forced to effectively surrender their political and human rights in return for economic growth.

Mr. President, let me sum up and be clear on where I stand. I support, as most of us do, a strong United States-China relationship, and I have always done so. President Clinton can work with President Jiang to raise Sino-United States relations to a new high level, as the Chinese President has requested.

But to truly protect American interests and reflect American values, this relationship cannot be based on ceremony alone. We cannot gloss over problems or sweep them under the rug or keep them unfulfilled—and unenforced—as promises.

I believe, Mr. President, it must be based on responsible international behavior with respect to nonproliferation and on refraining from the threat or use of force. Our relationship must be based on steady and consistent progress toward political as well as economic freedom in China.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senate majority leader is to be recognized.

In his absence, the Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I had wanted to take the floor to speak on the highway bill, but Mr. CHAFEE was here and he indicated he wanted to get the floor first. As he is the manager of the bill, I have no quarrel with that, so I will not speak on that subject at the moment. I also indicated I would expect to follow both leaders. Inasmuch as none of these aforementioned Senators is seeking recognition at this time, I have sought recognition and will speak briefly but not talk at the moment on the highway bill.

LINE-ITEM VETO

Mr. BYRD. Mr. President, I will speak with reference to the so-called line-item veto of the fiscal year 1998 Military Construction Appropriations Act.

I received a letter today from Mr. Franklin D. Raines, Director of the Executive Office of the President, Office of Management and Budget, which I shall read into the RECORD. The letter is dated October 23, 1997. It is addressed to me. It reads as follows:

> I am writing to provide the Administration's views on S. 1292, the bill Disapproving the Cancellations Transmitted by the President on October 6, 1997.
>
> We understand that S. 1292 would disapprove 36 of the 38 projects that the President canceled for the FY 1998 Military Construction Appropriations Act. The Administration strongly opposes this disapproval bill. If the resolution were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.
>
> The President carefully reviewed the 145 projects that Congress funded that were not included in the FY 1998 Budget. The President used his authority responsibly to cancel projects that were not requested in the budget, that would not substantially improve the quality of life of military service members and their families, and that would not begin construction in 1998 because the Defense Department reported that no design work had been done on it. The President's action saves $287 million in budget authority in 1998.
>
> While we strongly oppose S. 1292, we are committed to working with Congress to restore funding for those projects that were canceled as a result of inaccuracies in the data provided by the Department of Defense.
>
> Sincerely, Franklin D. Raines, Director.

The letter indicates that an identical letter was sent to the Honorable TED STEVENS.

Mr. President, we have all heard that the devil is in the details and that it is advisable always to read the fine print. I take the floor at this time, as I have indicated already, just mainly because nobody else is seeking recognition and I am waiting an opportunity to talk further with respect to the highway bill.

Now, as I look at this letter more closely, it says—I have already read it in its entirety—it says in part, ''The Administration strongly opposes this disapproval bill. If the resolution were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.''

Now, early today, Senator STEVENS, the chairman of the Appropriations Committee, met with the Appropriations Committee and discussed a measure of disapproval of the President's cancellation of 36 of the 38 projects from the fiscal year 1998 Military Construction Appropriations Act. The committee met and reported out the disapproval measure by a very wide margin. I think that only two votes were cast against reporting the measure. So that has been done.

With reference to the letter from Mr. Raines, let me say at the beginning, I have great respect for Mr. Raines, the Director of the Office of Management and Budget. He is a very able director and a very honorable man, as far as I

know. He has always treated me as I hope to be treated. And as I expect to treat others. I respect the President and the Presidency, so what I say has nothing to do with the individuals personally.

That being said, let me more particularly call attention to this sentence: ''The administration strongly opposes this disapproval bill,'' Mr. Raines says. ''If the resolution were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.''

My response would be, so what? Go ahead, veto the bill.

Now, more particularly I call attention to the second sentence in the third paragraph, which reads as follows: ''The President used his authority responsibly to cancel projects that were not requested in the budget.''

Now, Mr. President, the word that intrigues me in this sentence is the word ''authority.'' ''The President used his authority responsibly to cancel projects that were not requested in the budget.'' Now, where does one go, may I ask, to find the President's ''authority'' to cancel projects that were not requested in the budget? From what act does he derive his authority to cancel projects solely on the basis that they were not requested in the budget? Does one go to the Constitution?

Well, let's see if we can find it in the Constitution. Therein, in article II, section 3, I note these words:

> He [meaning the President of the United States] shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient. . .''

That is what the Constitution says with respect to the President's making recommendations to Congress. So, he submits his State of the Union message, he submits his budget, and so on, but ''He shall. . .recommend to their Consideration such Measures as he shall judge necessary and expedient.''

But does that language give him authority to ''cancel projects that were not requested in the budget?'' That language doesn't do it.

Well, let's turn to the language that speaks specifically of the President's veto authority. That is in section 7 of article I.

> Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States; if he approves he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it.

It doesn't say there in that section that he shall not sign a bill if it contains any items not requested in the budget. It says, ''if he approves [the bill] he shall sign it, but if not [meaning if he doesn't approve it] he shall return it, with his Objections to that House in which it shall have originated.''

So I find no authority in the Constitution for the President to cancel projects solely for the reason that they were not requested in the budget.

Now, let's take a look at the Line-Item Veto Act, Public Law 104–130. Let's see what it says. This is the act under which the President has acted. This is the deformed, malformed, illegitimate end-run that Congress made around the Constitution when it passed that bill. This is the act that we, in one of our weakest moments in the history of the country, passed and gave the President this so-called ''authority.'' But let's see if even in that monstrosity there is authority to cancel projects solely on the basis that they were not requested in the budget. Let's see. Let's read:

> Section. In general—notwithstanding the provisions of parts A and B, and subject to the provisions of this part, the President may, with respect to any bill or joint resolution that has been signed into law pursuant to Article I, Section 7 of the Constitution of the United States, cancel in whole (1) any dollar amount of discretionary budget authority; (2) any item of new direct spending; or (3) any limited tax benefit, if the President, A, determines that such cancellation will (1) reduce the Federal budget deficit; (2) not impair any essential government functions; and (3) not harm the national interest.

It doesn't say that the President has authority to cancel projects because they were not requested in the budget. It doesn't say that at all. It doesn't say that the President may cancel items that were not included in the budget. It doesn't say that at all. It says that if he determines that such cancellation will reduce the Federal budget deficit, or not impair any essential Government functions, not harm the national interest''—all three.

So I simply wanted to bring to the Members' attention this letter, in which the very distinguished and highly respected Franklin D. Raines, Director of the Office of Management and Budget states:

> The President used his authority responsibly to cancel projects that were not requested in the budget.

I don't find anywhere in the Constitution, or in the ill-advised act itself, any authority for the President to cancel a project simply because it was not requested in the budget.

Well, so much for that. I think we can expect this administration, or any other administration, as long as this act is on the statute books, to expand upon it, to read into it whatever they want to see, read into it whatever they want to read into it. Here is a good example of it. We have now found that they are interpreting the act to give the President the authority to cancel projects on the basis that they were not requested in the budget.

Additionally, in the last paragraph, Mr. Raines says.

> . . . we are committed to working with Congress to restore funding for those projects that were canceled as a result of inaccuracies in the data provided by the Department of Defense.

So the President, in this letter, through his Director of OMB—I would have appreciated it if the President had written the letter himself and signed it himself. But we are told here by the President through his Director of OMB that, indeed, projects were canceled as a result of inaccuracies in the data provided to the Department of Defense.

Now he says they are committed to working with Congress to restore funding. How are they going to do that? The President can't go back now that he has unilaterally amended that law—the fiscal year 1998 Military Construction Appropriations Act. Now that he has unilaterally amended that law, he cannot go back and put those items into law. He has unilaterally amended it after he signed it into law, so he can't go back and put those items in. The heads have been severed from those items. They are dead, dead, dead. So he cannot go back and breathe new life into those items. How is he going to restore funding? He says he is going to veto this disapproval resolution. That is not going to help if he vetoes that act.

But we are told that if the resolution reported out of committee disapproving 36 of the projects is presented to the President in its current form, the President's senior advisers would recommend he veto that bill. That is not going to help restore the projects that were vetoed by mistake. So we have to start all over again, unless we can override that veto. It takes two-thirds of both Houses to do it. The old chickens are coming home to roost.

So my advice to Members is that they go back—and my office will be very happy to assist any Member who wishes to have assistance in the matter—go back and read all of my speeches against the line-item veto. If they will assure me they will do that, I will quit talking. I will quit making speeches on this subject. But all Members who voted for this pernicious piece of legislation will have to assure me and have to show me that they are going back and reading every speech that I have made over the years in opposition to a so-called ''line-item veto.'' If they will do that, then I will quit talking on it. But I think that those Members who voted for that abominable piece of legislation and who are now bellyaching about it should be required to go back and read every one of those speeches all over again. Read them again.

Then I would suggest that they read the Constitution, because it is he who has read it lately that counts. I guess that should be the way of thinking of it, how lately have we read it?

Let me just read one section, the very first sentence of the Constitution. I am reading it so it will not only sound authentic but it will look to be authentic because I am reading it. I am not repeating it from memory. I am reading it. Here it is from the Constitution:

> All legislative powers herein granted—

If legislative powers are not ''herein granted,'' they don't exist, do they?

> All legislative powers herein granted shall be vested in a Congress of the United States

which shall consist of a Senate and House of Representatives.

That is it. That is the whole kit and caboodle. That is where the authority rests to legislate. The authority to legislate rests right there. And it doesn't include the President of the United States. Only the Congress can legislate.

Point No. 2: To amend a bill or resolution is to legislate.

Am I correct? Yes.

To amend a bill is to legislate. To amend a bill is to act within—is to act pursuant to that first section of the first article, which I have just read.

Point No. 3: To move to strike an item is a motion and is a legislative act.

To move to strike. That is a legislative act. And it is vested only in the Congress of the United States by virtue of that one sentence that I have just read.

Right? Correct.

Now, the act that Senators are griping about says that the President—any President—after having signed a bill into law may within the next 10 seconds, may within the next 10 minutes, may within the next day, may within the next 5 days go back and take a new look at that law, and he may move to strike. He may not only move to strike; he may strike items from that law.

If the distinguished Senator from Indiana [Mr. COATS], let us say, who is presiding over this Chamber at this moment, moves in this Chamber to strike an item from a bill, that is a legislative act.

So, if he moves to strike an item, or if he is moving to amend a bill, he has to have a majority of this body to support his motion to strike or cancel. And, if he gets a majority, if all Members are here and voting, he will have to have 51 Members—51 votes, including his own—to succeed in striking or cancelling that item from the bill. But he has not finished yet. If he accomplishes that, a majority of the other body also has to agree to his motion to strike, and a majority of the other body, if everyone is present and voting over there, would be 218.

So he has to have 218 votes in that other body to support his motion to strike or cancel this item from an appropriations bill—218 in the other body, 51 in this body. If all Members are present, he has to have 269 Members of both bodies supporting his motion to cancel.

That is a legislative act. Does anyone disagree with that? No. Nobody disagrees with that. That is all accurately and correctly stated.

But the Congress passed an act. We in the Senate voted for it on March 23, 1995, and it went to conference. And it lay dormant in conference for about a year. Finally, I think it was Mr. Dole who got behind it and urged the leadership in both Houses to pass that act because he anticipated being the first to wield the line-item veto pen.

So it was brought back as a conference report. And, on March 27, 1996, the Senate stabbed itself in the back and adopted that conference report giving the President of the United States—any President; not just this one; any President of the United States—the authority to unilaterally cancel or amend a law. He may do it all by himself. He doesn't have to have 218 Members of the other body. He doesn't have to have 51 in this body. He can simply call Mr. Raines and others in the executive branch together and say, ''What do you find in this bill, this appropriations act, that Congress has just sent me here? I have signed it into law. I didn't have to wait. I just went ahead and signed it. Now it is a law and no longer a bill. It is a law. But I have the authority now to singlehandedly amend that law.''

Senator COATS didn't have that kind of authority. Only a majority of both Houses could amend a bill.

I cannot for the life of me understand how grown men and women who have sworn to support and defend the Constitution of the United States right there at that desk with their hands on the Bible—most of them had their hands on the Bible or swore an oath by it—I cannot for the life of me understand how grown men and women who are supposed to have read that Constitution, who are willing to stand up there and before God and men swear to support and defend that Constitution, how they would then turn right around and pass legislation that flies directly in the face of the first sentence of the Constitution, which says that ''All legislative Powers herein granted shall be vested in a Congress of the United States which shall consist of a Senate and House of Representatives.'' Were they using the Constitution as their guide? No. Were they using the polls as their guide? In all likelihood, I suppose they were, because the overwhelming majority of the American people favor a line-item veto.

I am going to quit very quickly.

Well, I wrestle with my imagination. I ponder over this question. And I try to come to some logical conclusion as to why Congress did what it did. Oh, I know there are some folks who will say, ''Well, you can expect Senator BYRD to be against the line-item veto because he likes pork.'' He likes pork. Let me tell Senators one thing. This Senator will not, will not, will not negotiate with this President or any other President over an item from West Virginia that he wishes to line-item veto. I will not negotiate with him. They may call and say, look, if you will do this or that, we will not line-item veto that item. My answer will be, ''Go to it. Veto it.''

You mean that Senator BYRD would not negotiate with the White House over a piece of pork for his State? You try me and see. No. I am not for negotiating. When it has reached that point, the subcommittees and committees have acted and have conducted hearings and earmarked the legislation and it has come before the Senate and the House—there may have been efforts to strike it out along the way, there may not have been, but once it reaches that point and comes back in the conference report, no, I am not negotiating with any President. If he wants to veto, go to it. I think there is a principle that is far more important here than pork for West Virginia or any other State.

So there it is. ''Lay on, Macduff; and damn'd be him that first cries out 'hold, enough.' ''

I guess there is a song which says, ''I'll still be wondering why.'' And so I am still going to be wondering why. Whatever got into the heads and minds and hearts and livers of the Members of these two bodies that they would be so gullible as to hand to this President or any other President part of the people's power over the purse, which, according to the Constitution of the United States, is vested right here in the hands of the directly elected representatives of the people.

Well, think about it because you are going to hear more about it. You are going to see more line-item vetoes. And if they want to line-item veto pork for West Virginia, ''Lay on, Macduff.'' I am not negotiating.

But I hope Members will think about it and will conclude that it was a mistake and that come the appropriate time they will vote to repeal that nefarious act. And I hope that Members will not bow down and scrape and negotiate with the White House about it. Let the President veto it. He has the right to veto under the Constitution any bill he wants to veto. He has that right according to the Constitution. He has that right.

I am not willing to negotiate to keep him from doing it. If he vetoes it, I know what our rights are. The Congress may uphold his veto or it may reject it. So let's go by this Constitution, and if Members are worth their salt, having made this mistake, they will not make the additional mistake of negotiating with any administration to keep their little items from being vetoed. Because if we do that, we merely legitimize the wrongful act that Congress has already committed. I do not believe in legitimizing it. Let the President veto it. Go to it.

Mr. President, I thank all Senators for listening. Those who didn't listen, they will have further opportunity to listen. And I hope that at least those who read the RECORD 50 years from now will find that somebody up here had read the Constitution lately.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I see the distinguished senior Senator from West Virginia still here. Previously, I had said that I wanted to go ahead of the Senator on some discussion in connection with the bill that is before us, the

ISTEA bill. Does the Senator want to go ahead now on that to discuss something? I understand he is not going to present any motions or anything but discuss it.

Mr. BYRD. Not at the moment. I may come back shortly. But I do thank the Senator from Rhode Island for his kind offer.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

Mr. COATS. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD CARE

Mr. COATS. Mr. President, today the White House is sponsoring an all-day conference on child care. I believe the President and First Lady have correctly identified this as an important issue to families, and particularly to working families in America. A number of experts have been invited to testify and to participate in panel discussions throughout the day.

This is an important but yet also a very complex issue. The complexity of the issue is that there is one segment of our population that seriously needs high-quality day care in order to work—work that for many has been required through welfare reform. Others work out of economic necessity; both mother and father need to be employed. And again for others, who are single parents raising their children, they need to provide the financial wherewithal to do that. The focus on the child care conference at the White House correctly focuses on this segment of our population.

The conference will focus on three questions: how to increase access for child care; how to make it more affordable; and how to guarantee the quality of child care so that children will be safe.

But, what the conference did not focus on was another segment of the population, in fact a majority segment of the population, the nearly 50 percent who do not have both parents working and another 25 percent who do not work out of the home full time. One of the questions, unfortunately, that will not be discussed at the White House today is how we can ensure that we are not discouraging or sending the wrong signals to the second segment, those parents, those mothers who stay home and do not work and those parents who keep one parent at home raising the child while the other works or they take separate shifts or they have worked out arrangements to raise their own children.

There is a legitimate need, I believe, to address the first question, how we provide child care for working families, for single mothers, for welfare mothers and others. But there is also a legitimate and essential question that needs to be discussed along with that, and that is what can we do to help those who have made the decision to stay at home?

We have recently had some exciting developments concerning infant brain development, about the much earlier than originally thought development, the connection of synapses that occur, the billions of these connections that occur at very, very early ages and how important it is to recognize that and to make sure that children receive the correct upbringing, stimulation and so forth to foster that development.

Again, unfortunately, there has been little discussion along with that about the critical nature of the emotional development of the infant, because, after all, as many experts have told us, it is the emotional development of the infant that is the fuel that drives the automobile, to use a metaphor. Unfortunately, there has been little discussion about this in the recent child care debate that focuses on those early years and the need for correct and effective childhood development. Recently, as chairman of the Subcommittee on Children and Families, I held a hearing in which we heard testimony from Dr. Diane Fisher, who is a practicing clinical psychologist. I want to quote from her:

> Imagine a brilliant, stimulated, optimally educated child who is lacking in self-esteem, self-control, identity or discipline. This in fact is what we are hearing about in our schools today—privileged, indulged children who are wired to the Internet but without a moral compass or a sense of connection to the adults who are supposed to be present in their lives.

Our committee heard about how mothers are biologically hard wired to form a close emotional tie with their children; that this bonding experience is not a quick experience, something to be accomplished in a matter of weeks or even months, but something that is a gradual process that proceeds slowly and over time. Anybody who is a parent knows that. We don't need studies or experts to come and testify as to the kind of bonding that takes place between parents and children, particularly mother and child, in those first critical early months and years and then throughout their growing experience for the next 15 or 20 years or so.

For the last 15 years I have been involved, first, as the ranking Republican on the Early Childhood, Youth and Families Committee in the House of Representatives during my service there and in the last 9 years as chairman or ranking member of the Children and Families Subcommittee here in the Senate. Over that time I have listened to and read and personally visited experts in the field—sociologists, psychologists, child development experts, and so forth—who have impressed upon me the absolutely critical element of the emotional attachment, the emotional connection, the bonding process between mother and child with infants, and mothers and fathers with their children, and how absolutely essential this correct attachment is for successful childhood development.

Most of this is not accomplished through a complex formula. It is not accomplished through a lot of educational training, academic training, or how-to books. It is accomplished intuitively by a mother motivated by love and enjoyment of that child. It takes an enormous amount of love and motivation to want to pay attention to the subtle cues that an infant or a young child sends on a moment-by-moment, hour-by-hour, daily basis. Frankly, it is very rare to find a caregiver who is either able or motivated by that same degree of love and attention and motivation to pay that kind of attention to a child. Often they have a number of children to look out for, and it is just keeping some semblance of order in the child-care facility that becomes the paramount challenge for the child-care provider.

We talk a lot about and they are talking today at the White House a lot about the term quality. Often that is used by the experts, or those who are discussing this, as a code word, ''quality'' meaning we need more control, we need more regulation, we need more oversight of child care facilities.

The quality of child care, for those children, especially children 0 to 3, is more than just having developmentally appropriate materials or an effective well-located site staffed by trained individuals that is important in child care, although it is only one form of child care, but quality is, I believe, more clearly related, and according to the experts we had testify before our committee, more clearly related to love and nurture and, as such, I believe, we have to recognize that it is a child's mother, a child's father that are in the best position to offer that love and nurture to their children.

As one mother told me, and this is someone who holds an advanced degree in family therapy, an expert in the field of raising children, she said a baby, a young child, needs to be adored. There isn't a child care provider in the world that can adore my child like I can adore my child. Only a mother can truly adore a child, provide the kind of nurturing that children need when they are growing up. We know that and most American people know this.

A recent Gallup poll for the Los Angeles Times said 73 percent of the American public believes too many children are being raised in day care and not nearly enough are being raised by their mother at home, and children fare best when raised by their mother at home. That figure was up from 68

percent who responded that way in 1987.

If we truly believe in quality child care, then I believe we should focus much of our attention, not just on ways in which we can provide improved quality care for children in day care settings, for those mothers who have no choice, for those families that have no choice, for those welfare mothers who have no choice but to move into the workplace, but we should also provide equal attention to those initiatives that can make it easier for families to have at least one parent remain at home, those families that can juggle their work schedules so that the primary care for their child is from parent to child rather than from paid provider to child.

The White House is going to be issuing a number of initiatives, according to reports, about how we as a society, both the private sector and the public sector, can provide assistance for child care facilities to improve the quality and access to child care. But shouldn't we also be discussing the positive family friendly policies that can provide assistance to those who have the ability or make the choice to stay at home with their children, like extended job protected leave?

As a Republican conservative, I broke with many of my fellow colleagues on the issue of family leave. I believe it is an important provision to guarantee that mothers have the choice of taking at least 12 weeks after the child is born to be with that child, but beyond that, the initiatives of part-time work, flextime, comptime, job sharing, telecommuting, and other corporate policies which a majority of families would prefer if they had the option, because many parents are willing to work less and provide more care for their own children if it is possible for them to do so and still maintain economic viability.

According to a 1991 survey sponsored by the Hilton Hotel Corp., two-thirds of Americans said they would take salary reductions in order to get more time off from work. There is another way we can focus Federal attention appropriately on making it easier for families to provide care for children at home: Tax fairness.

In my time in the Congress, I haven't agreed on too many issues with former Representative Pat Schroeder, but one thing she said that I did identify with and I have always remembered is she said you can get a bigger tax break for breeding racehorses than you can for raising children, and she was right. The Tax Code over the years has penalized parents for spending time with their children by narrowly linking tax benefits to day care expenses and provisions on the other side of the equation. The dependent care tax credit, for example, is constructed in such a way that the more time a child spends in day care and the higher, therefore, the family's day care expenses, the greater the tax benefits.

Mr. President, I don't want to ignore the reality that growing economic and cultural pressures make it difficult for parents to spend as much time with their children as they would like. We all face that problem. Tying tax benefits to day care expenses makes matters worse, not better. It penalizes parents for caring for their own children by redistributing income by those who make extensive use of out-of-home professional day care services. Tax benefits which favor day care over parental care should be replaced, I suggest, by increasing benefits for all families with young children.

While I fully expect that the White House Conference on Child Care will emerge with new policy recommendations, such as model standards for quality care or the expansion of the military model of child care in the private sector, I would caution that we need to pay equal attention to the facts that we have learned about the critical importance, especially in early years, about the need of strong attachment between mother, father and child.

We also must ask the question: Are there policies which we can support and provide leadership on that will, in fact, make that attachment a true priority? Because if we have learned anything over the past couple of decades, it is how critical that attachment between child and family, mother and child, father and child is and the uncomfortable fact that for many, quality child care, though important, can never be an effective substitute for parental attachment.

I hope, Mr. President, that in this day of focus on provision of child care, we can also focus our attention on what true quality care is and look for ways in which we can initiate and implement policies in the Congress and in the workplace that can provide mothers and families with this very, very important and essential element to successful child raising.

Mr. President, I yield the floor.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President. I also thank the Presiding Officer for giving this Senator the opportunity to speak at this point as opposed to presiding. I appreciate his consideration.

UNITED STATES-CHINA RELATIONS

Mr. ABRAHAM. Mr. President, I rise today to address the direction of our country's relationship with the People's Republic of China. As we speak, the Clinton administration is busily preparing for next week's state visit of Chinese President Jiang Zemin. A state visit is the most formal and ceremonial diplomatic event hosted by the United States. It involves champagne receptions and flattering toasts.

While United States-Chinese relations are crucial and important for both countries, I believe it would be inappropriate for President Clinton to welcome the Chinese leader in a state visit at this time.

The United States, the world's leading free nation, should not give a red carpet welcome to China's Communist leadership until we see greater strides on human rights, religious freedom and other issues in that country. Rather than a ceremonial visit, we should be holding a working visit with the Chinese leadership, concentrating on the very real issues which exist between our two nations.

In my view, the President should put specific demands on the Chinese leadership, calling for improved human rights policies and an end to weapons proliferation.

Mr. President, China's record of human rights abuses and repression of religious faith is long and disturbing.

Peaceful advocates of democracy and political reforms have been sentenced to long terms in prisons where they have been beaten, tortured, and denied needed medical care.

Women pregnant with their second or third child have been coerced into abortions.

Religious meeting places have been forcibly closed.

Tibetan monks refusing to condemn their religious leader, the Dalai Lama, have been forced from their monasteries; some of their leaders have disappeared.

The President's own State Department Report on Human Rights confirms these allegations.

And recent claims by the Chinese Government that Catholics in particular are few in number and not mistreated have been directly contradicted by the Vatican.

According to the Vatican news agency, Chinese reports simply ignore the existence of 8 million Catholics loyal to the Pope, as well as China's violent actions in closing down secret churches and arresting religious leaders.

China also has engaged in weapons proliferation that endangers our national security.

Although China signed the Nuclear Non-Proliferation Treaty and agreed to abide by the terms of the Missile Technology Control Regime in 1992, violations of both agreements continue. Especially worrisome are Chinese sales of weapons technologies to countries which are trying to develop weapons of mass destruction, countries which America regards as rogue nations.

Chinese weapons exports also have more directly threatened Americans here on United States soil. Companies associated with China's Communist People's Liberation Army the PLA, have been caught attempting to sell smuggled assault weapons to street gangs in Los Angeles.

The Clinton administration's response to these dangerous actions, in my judgment, has been inadequate to say the least.

Last December, the administration welcomed China's Defense Minister,

Gen. Chi Haotian, to Washington. Mr. Chi was one of the People's Liberation Army officers who led the military assault against the citizens of the Chinese capital on June 4, 1989—the massacre in Tiananmen Square.

Now the administration wants to welcome President Jiang with pomp and circumstance. These actions indicate that, where China is concerned, what we have is not a policy of constructive engagement, but one of unconditional engagement.

By agreeing to this state visit without receiving any significant concession on human rights, religious freedom and weapons proliferation, the administration may be squandering its strongest source of leverage with Beijing.

None of this is to recommend cutting off all dialog between the United States and China. Again, I would not object to having a visit for working-level purposes. But I feel the symbolism of a state visit is inappropriate given the current situation in China and our fundamental disagreements.

For this reason, I have cosponsored a resolution, with Senators FEINGOLD and HELMS, to downgrade the upcoming event from a state visit to a working visit. And I urge my colleagues to cosponsor this resolution as well.

We must work, Mr. President, to put United States-China relations on a more substantive basis. And that requires hard work and tough negotiations.

The President must call for specific actions on the part of the Chinese leadership that will improve that country's treatment of its own people and stop its destabilizing activities in the world at large.

According to the Wall Street Journal, ''[China] doesn't plan to discuss issues such as human rights'' at this upcoming conference. A Chinese Embassy spokesman even said ''we do not welcome'' advice on such matters.

But, welcome or not, President Clinton must insist that China's leaders address crucial issues like human rights. Indeed, in my view, the administration has a moral duty to press a whole host of issues on the Chinese Government that it may not welcome, but that are of great importance to the people of China, to the United States, and to the world.

Specifically, I believe President Clinton should demand:

First, that the Chinese Government dismantle nonreciprocal tariff and nontariff barriers to American exports to China, and stop the continued export to the United States of products made with prison labor;

Second, that the Chinese Government cease persecuting Chinese Christians, as well as members of other religious faiths, and release all persons incarcerated for their religious or other human rights related activities;

Third, that China end its coercive family planning practices, including its practice of forced abortion, forced sterilization and infanticide;

Fourth, that the Chinese Government stop its activities leading to proliferation of weapons of mass destruction and advanced ballistic missile technology; and

Fifth, that the Chinese Government stop its evasion of United States export control and other laws.

Mr. President, by making these demands on the Chinese Government, the President would put in place the structure needed for a coherent China policy; a policy aimed at protecting our national interests and improving human rights conditions in China.

In addition, I believe it is crucial that the President express his determination to uphold and fully implement the Taiwan Relations Act. This act provides the framework for strong economic and security relations between the United States and the democratic government of Taiwan. Full implementation will show our commitment to freedom in the Asian-Pacific region.

If no progress is made through these means, Mr. President, Congress must act. If the Chinese leadership is not willing to make significant reforms on its own, we must pass legislation targeting its improper activities.

In preparation for that contingency, I have joined with a bipartisan group of colleagues to introduce the China Policy Act of 1997.

This legislation will set in motion a policy that will encourage the Chinese Government to reform its human rights policies, and end its sales of arms and weapons technology to renegade regimes like Iran.

To begin with, Mr. President, the bill contains targeted sanctions aimed directly at Chinese companies that engage in weapons and weapons technology proliferation.

The bill would institute targeted sanctions against PLA companies found to have engaged in weapons proliferation, illegal importation of weapons to the United States or military or political espionage in the United States. The U.S. Government also would publish a list of other PLA-controlled companies.

This would allow American companies and consumers to decide whether they wish to purchase products manufactured in whole or in part by the Communist Chinese Army.

As important, the bill includes provisions to encourage internal liberalization and cultural exchanges between our two countries. It would increase funding for international broadcasting to China, including Radio Free Asia and the Voice of America.

It also would increase funding for National Endowment for Democracy and the United States Information Agency student, cultural, and legislative exchange programs in China.

The bill would contain a variety of other provisions likewise aimed at trying to address the concerns on a targeted basis, Mr. President, as opposed to the approach which has been taken, in my judgment, for too long, an approach which has focused exclusively on the issue of most-favored-nation treaty status with respect to the relationship between the United States and China.

I think the proper way to address the concerns that many of us have is to focus on the specific concerns themselves and to impose, if appropriate, sanctions with regard to those concerns on a targeted basis.

I firmly believe that it is America's duty as well as our interest to make the extra effort required to promote freedom and democracy in China and to integrate her into the community of nations.

I urge my colleagues to support this resolution and I call on the President to demand that the Government of the People's Republic of China bring itself into compliance with international standards on human rights and religious freedom.

Mr. President, I yield the floor and suggest the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

ISTEA

Mr. BOND. Mr. President, I have been waiting all week to talk about some very, very important things in the highway and transportation reauthorization bill, also known as ISTEA or NEXTEA. I am disappointed we have been unable to move to that bill because I think everyone here can agree we have journeyed far in the transportation area not only over the last 6 years under the just-expired ISTEA bill but over the last century. We are ready to embark upon the next leg of that journey. I am very distressed and saddened that our colleagues are not willing to move forward on it.

I think everyone in this body and certainly most of our constituents around the country know the importance and the role that transportation plays in our everyday lives and especially in our economy. Our economic stability and progress is tied directly to transportation.

In my opinion, what really worked, what really got us moving on transportation infrastructure in this Nation was President Dwight Eisenhower's vision of an interstate system. That succeeded in building the first network of modern high-speed roads linking our States with each other and with markets around the world.

As my dear friend and colleague from Virginia, Senator WARNER, often says, this is one world market. Our country's transportation infrastructure makes it so.

Mr. President, my home State of Missouri has always been a leader in the

area of transportation. As one example, the first construction contract awarded under the interstate system was awarded for part of Interstate 70 near St. Charles, MO. In fact, the first three contracts awarded under this system were Missouri contracts. I think this demonstrates one more time Missouri's fundamental commitment to and belief in essential infrastructure.

Even though my friend and colleague from New York, Senator MOYNIHAN, and I had some differences of opinion during the 1991 debate, I do agree with many of my colleagues when they give Senator MOYNIHAN and the 1997 ISTEA bill credit for moving our transportation policy forward. The 1991 bill was landmark legislation that enabled us to craft a new generation of highway and transit programs.

Now, let us all recognize that transportation in this country includes everything from transit systems, rail, waterways, air, pipelines, et cetera. However, as we move forward, we must build our new policy solidly on our commitment to the concrete and asphalt reality that roads and bridges are, and will continue to be the foundation of our transportation system. The new policy will be only as good as the foundation on which it is built.

This country has an inadequate highway infrastructure that contributes to 114 deaths on our Nation's highways each day. This is the equivalent of a major airline disaster each and every day of the year. And, tragically, many of these fatalities are our Nation's children. As a matter of fact, motor vehicle accidents are the No. 1 cause of death of American children of all ages. That is truly a remarkable and distressing and tragic fact.

I have to share with you, Mr. President, the fact that Missouri's highway fatality rate is above the national average. I was reminded of these highway tragedies just this past week during the Columbus Day work period in the State, as I have been on every opportunity I have had to travel around the State of Missouri. As I went back and forth across the State, I saw along the roads the little white crosses that had been marked for deaths of motorists and their passengers on Missouri's highways. Some of the highways have very, very frequent intervals of white crosses. And at every stop where I talked with people and listened to them talk about transportation, they told me of friends, neighbors, and loved ones who had been lost in highway accidents. Almost everyone of us in Missouri have experienced or know somebody who has experienced the loss of a loved one or a dear friend. Earlier this year, my good friend Gary Dickenson of Chillicothe, MO, was driving from Chillicothe toward Kansas City where he had business interests, where he traveled frequently on Highway 36, a highway that, because of the traffic, should have been a four-lane, divided highway. It was, in fact, a two-way, two-lane highway. He met a car driven by a stranger to that part of the road who had crossed over the center line and he was killed.

We have had hearings in Missouri where families who have come to testify for the needs of highways have told us about the tragedy that their families have felt, like the Winkler family in Moberly, and many others, who lost a loved one because someone not familiar with that highway, not realizing that that heavily traveled road was a two-way road rather than a divided highway, crossed the center line and was in the wrong lane and crashed head-on into a fatal traffic accident.

Now, some fatalities on our roads are as a result of drunken driving and improper child safety restraints. But it is clear to me that the major role in these fatalities is the unsafe condition and inadequate capacity of our highways, and we really can't allow this to continue. It is totally unacceptable and we have to do something about it. We must improve upon our existing infrastructure and we have to determine better ways to manage our transportation needs, not only to address the tremendous safety needs, but for our economic competitiveness.

We must not forget that Americans depend upon our transportation infrastructure, mainly our roads and bridges, each day, to get to and from work, school, the shopping center, doctor appointments, ball games, to see friends, and to go to church. But we also know that those highways and byways, those roads and those bridges are vitally important to maintaining economic prosperity. They take workers to and from jobs, and bring goods and supplies into the workplace, and they bring the finished products out. And only if they do so in an efficient and effective manner can we make sure that our products are competitive against the products of other nations in the world.

Well, the condition of our roads and bridges, once the envy of the world, should embarrass all of us. I have listened over the years, and just recently on the Senate floor, to my colleagues from Northeastern States talking about their transportation needs and how they think they are somehow more deserving of additional highway funds than are the Southern and Midwestern and the Western States. On this floor, before the Columbus Day State work period, a Senator from the Northeast alluded to that part of the country as ''the crux of our economic mix.''

Well, Mr. President, I have to disagree and, like my colleagues who make those statements, be a little parochial because I argue that the crux is the middle part of the country. It is Michigan, it is Missouri, it is Iowa, it is Arkansas, it is Illinois, it is Kansas, it is Oklahoma, it is Louisiana, it is Minnesota, it is Wisconsin, it is Louisiana, it is Mississippi, and Texas. Why, Mr. President? Because not only is this the heartland of the country, but in my opinion this is where the country's current and future growth will be.

Now, my State of Missouri is ''geographically privileged'' to be located not only near the geographic center of the United States, and it not only has the demographic or population center of the United States, but it is at the center or at the confluence of our Nation's two greatest waterways, the Mississippi and Missouri Rivers. Not only has Missouri proven itself to be the gateway to the West, but today it is the gateway to the North, South, East and West. Like spokes from a bicycle wheel, Missouri's roads and bridges are fast becoming the arteries that feed not only our country's heartland, but the whole of North America.

Already, according to the Federal Highway Administration, Missouri has the country's sixth largest highway system. According to the Road Information Program, vehicle travel in Missouri grew by 51 percent between 1985 and 1995, compared to a national average of 37 percent. It is the home of the second and third largest rail hubs, the second fastest-growing airport in the world, and the second largest inland port in the United States.

A further example of the dynamic growth in Missouri is Branson, MO, population 4,725. I hope my colleagues—and not just those of us who enjoy country music—know about Branson, because in 1996 alone, Branson was visited by 5.8 million guests. That requires a lot of transportation to bring that many people into a community of less than 5,000 residents.

In addition, we look at our two largest trading partners, Canada and Mexico. One of the main north-south highway routes in this country is Interstate 35 from Loredo, TX, through Oklahoma, Kansas, Missouri, Iowa, and Duluth, MN.

Unfortunately, many coastal States forget about inland States when it comes to the global economy. But for our State of Missouri, and many other ''inland'' States, our highway infrastructure, coupled with rail, air and waterways, makes us strong players in ''our one-world market.''

Missouri alone serves over 100 different countries around the world with our exports. In 1995, our exports exceeded $5.5 billion.

Not only does Missouri export electronics, machinery, and chemicals, but Missouri is one of the largest exporters in the country of agricultural products. In overall agricultural exports, Missouri is ranked 15th among all 50 States in the value of its agricultural exports. Missouri is the sixth largest soybean producer and eighth largest feed corn producer in the country. Missouri ranks 6th in rice production and 13th in wheat production.

If we in Missouri are going to continue to compete globally for foreign trade opportunities of the next century, not only do Missourians need ''fair'' trade to compete, but we need a ''fair'' return of our transportation dollars so Missourians have ''fair'' access

to global markets which coastal States now dominate because they already enjoy such access. A fair return to Missouri is imperative because Missouri's highways and bridges are in tremendous need of more dollars—more of our dollars that we have been sending to Washington, more of our dollars that we have shared in large measure with other States. It used to be, prior to the 1991 act, that we were getting about 75 cents back on every dollar we sent to Washington. We got it up to 80 cents after 1991. And we are hoping—hoping against hope—that maybe we can pass a measure which will get us up to 92 cents, still sharing 8 cents of every dollar that we send to Washington with other States for their transportation needs.

Permit me to quote from testimony provided by Tom Boland, a good friend and chair of the Missouri Highway and Transportation Commission, at a field hearing we held in which the chairman of the committee, the distinguished Senator from Rhode Island, Senator CHAFEE, and the Senator from Virginia, Senator WARNER, were kind enough to participate. Mr. Boland said:

> In Missouri, we can demonstrate the need for increased Federal funding to improve the safety of our highways and bridges all too well. Let me take you on a short tour down the Missouri and Mississippi Rivers. The Missouri River enters the State at our far northwest corner, flows southward to Kansas City, then crosses the entire State and joins the Mississippi River at St. Louis. The Mississippi River forms the entire eastern boundary of Missouri.

More than 40 bridges on the State and Federal highway system cross these two rivers in Missouri. More than half of these bridges are structurally deficient or functionally obsolete when evaluated by Federal criteria. They are too narrow or have severe weight restrictions, or both, that prevent commercial vehicle use and obstruct the economic vitality of many of our communities.

Using the Federal Highway Administration rating system, Missouri has approximately 11,000 centerline miles of highways rating fair or worse, or a lower rate. This is nearly one-third of the total State highway system. According to the Surface Transportation Policy Project Report, 81 percent of Missouri's urban highways alone are not in good condition. Over 42 percent of Missouri's 23,000 bridges are substandard.

Missouri has transportation needs that need to be met.

Ever since my arrival in the U.S. Senate, I have worked on transportation issues, mainly on getting my State of Missouri a fair return on its highway dollars. I will be honest; it has been an uphill battle. Even under the bill as reported from the Environment and Public Works Committee, Missouri, and several others, are still donor States. As a member of the committee, I worked with my colleagues, Senators CHAFEE, WARNER, and BAUCUS, to come up with a formula that was fair. Again, let me be honest; it is not everything I would like. If I got what I wanted, Missouri would be getting a return of $1.72 or $2.15 on every dollar they sent in. That is the return that some of the Northeastern States are receiving. But Missouri is not receiving that much.

Yet, I am the sponsor of this bill because it has moved the formula by leaps and bounds in the right direction, and I believe it is a reasonable compromise. It is a compromise that recognizes both the political realities of this place and, I think, the legitimate concerns of all the States involved.

The bill which I am proud to have sponsored with a number of my colleagues addresses three of the top priorities I have.

The bill, No. 1, increases the overall amount of transportation dollars that we invest in our infrastructure.

Two, it gives a fairer return of transportation dollars to the State of Missouri.

And, three, it provides additional flexibility to State and local planners, decisionmakers, and officials to address their specific transportation needs.

I hope that we can move forward on this vitally important legislation so we can address the numerous issues pending, such as transit, safety, and the Finance Committee title, which includes another critically important issue to Missouri and the rest of the country—that is ethanol.

The Finance Committee amendment includes an extension to 2007 of ethanol's tax incentives. This exemption promotes energy security by lowering our dependence on foreign oil. It is cleaner burning. It is a cleaner burning fuel, so it is good for the environment. And it is a renewable resource that really benefits our rural economy. The Senate voted overwhelmingly this summer to support this extension in the Taxpayers' Relief Act, and we defeated those who attempted to end the exemption in 1998. Senator GRASSLEY and others have done an outstanding job of leading our bipartisan coalition. I am proud to be part of that coalition, and I expect us to prevail if and when we are challenged again on this issue.

Another amendment that is important will reauthorize the act providing assistance to States for fish restoration, wetlands restoration and boat safety, commonly known as ''Wallop-Breaux.'' I am particularly interested in a new provision to authorize a new ''National Outreach and Communications Program'' designed to introduce additional segments of the public—especially America's youth—to the healthy fun of fishing and boating, to increase awareness of boating and fishing opportunities, and to promote safe and environmentally sound boating and fishing practices. Fishing is very important, in my State, to the recreational industry, and it is a favorite pastime of thousands and thousands of enthusiasts. I was out there, I confess. Most people with good judgment wouldn't be out on a wind-blown lake in 35 degree temperature getting their feet wet, getting cold to the bone but going after the mighty sport fish, a tremendously important part of our heritage, and I am going to keep doing it until one of these days I quit being outsmarted by the fish.

Mr. President, moving our transportation policy into the 2lst century will be a challenge. There is no denying that. I hope we can move forward and move forward soon on this vitally important legislation so that these amendments that I have mentioned and other important amendments can be debated and voted on.

It is important to realize that maintaining our Nation's roads and bridges is not a glamorous undertaking, but as with the debate raging in education circles about improving our Nation's crumbling schools, so goes the equally important debate about improving public infrastructure.

Mr. President, as we prepare and plan our transportation policy for the 21st century, I hope all of us remember four basic principles that our new policy must ensure. First and foremost is safety, but also fairness, efficiency, and economic competitiveness.

Mr. President, when we do move to the consideration of this bill—as I said, I hope that will be soon—I intend to offer an amendment with Senator BREAUX, an amendment that has been cleared on both sides of the aisle, because it makes good sense. This is an amendment that affects both the EPA and the Corps of Engineers. They reviewed the amendment. They have no objection to it. It is consistent with administration policy and its Federal guidance issued November 1995. It is supported by the Association of State Highway and Transportation Officials. And, beyond that, it is good for wetlands protection. It promotes private-sector efforts to protect wetlands. And it saves money that can be used on highways or other authorized uses under this act. Truly a win-win-win amendment.

Now that I have your rapt attention, let me tell you what this amendment would do.

This amendment provides that when highway projects result in impacts to wetlands that require compensation mitigation under current law, preference should be given, to the extent practicable, to private-sector mitigation banks. The amendment mandates that the banks be approved in accordance with the administration's Federal guidance on mitigation banking issued in 1995, and it requires that the bank be within the service area of the impacted wetlands.

The administration's definition of mitigation banking is

> . . . the restoration, creation, enhancement and, in exceptional circumstances, preservation of wetlands and/or aquatic resources expressly for the purpose of providing compensatory mitigation in advance of authorized impacts to similar resources.

Mitigation is usually accomplished by restoring or creating other wetlands. Isolated, on-site mitigation projects, however, are expensive and costly to maintain. Wetlands mitigation banks are typically large tracts of land that have been restored as wetlands.

A State department of transportation building a highway project which impacts wetlands merely buys credits generated in the bank based on the acreage and quality of the restored wetlands in order to satisfy its obligation to mitigate the harm to the impacted wetlands by the construction of the highway. The bank sponsor assumes full responsibility for maintaining the restored wetlands site, and the State department of transportation has thus fulfilled its mitigation requirement.

The amendment does not change in any way the mitigation required. It provides simply that mitigation banking will be the preferred alternative once mitigation requirements are determined.

Last year, the Committee on Environment and Public Works held a hearing where witnesses from the administration, the private sector, the environmental community, and the scientific community spoke to the promise of mitigation banking as being an important instrument to protect wetlands and to do so with less red tape and, most importantly, at less expense to our highway and transportation programs.

Now, this proposal is strongly supported by the Missouri and the Ohio Departments of Transportation and by the nationwide association AASHTO. A September letter from the Ohio Director of Transportation notes that ''the Ohio department's costs for on-site mitigation have ranged as high as $150,000 an acre when the cost of design, real estate, construction and mitigation monitoring were combined. These costs are not out of line with the high end costs experienced by many other departments of transportation around the country. Our lowest costs for on-site mitigation have generally exceeded $35,000 per acre. The cost of banking, in our experience, has ranged from around $10,000 to $12,000 per acre and includes all of the above-cited cost factors. This equates to about one-quarter the cost of our average on-site mitigation.''

In Florida, the department of transportation pays its department of environmental protection $75,000 for every acre it impacts for mitigation. By contrast, the Florida wetlands bank acres in Broward County are sold for a reported $50,000 to $55,000. The State of Illinois in the Chicago area has had a similar experience.

The savings can be significant and they can be achieved because of specialization and economies of scale. As a result, less Federal highway money is spent on mitigating impacts to wetlands. More Federal highway money is made available for highway construction. And the wetlands, wildlife and conservation benefits are achieved in the most efficient manner possible. The Vice President and others have said we should pursue ways in which we can make environmental protection a profitable enterprise while actually reducing the permit process times for citizens weaving their way through the burdensome wetlands permitting process.

This does just that. Many agree that mitigation banks, which must be approved, will have a greater long-term rate of success in protecting wetlands because, one, the people who sell the credits are in the business of wetlands protection; two, the banks are easy to regulate and be held accountable; three, there is more time and flexibility for a bank to procure and identify high-quality wetlands.

Again, this is a good amendment. It is good for the environment. It is good for the efficiencies. It will save highway dollars and make sure we deliver the wetlands protection with the wildlife, environmental and conservation benefits that go along with it in the most efficient use possible of our precious highway dollars.

I hope that all of my colleagues will support the bipartisan amendment when we are enabled to present it in the Chamber in the consideration of the highway transportation reauthorization bill, ISTEA.

Mr. President, I see others in the Chamber so I will yield the floor at this time. I thank the Chair.

MITIGATION BANKING

Mr. BREAUX. Mr. President, I'm pleased to cosponsor with Senator BOND the mitigation banking amendment to the highway bill. I thank Senator BOND for his leadership and am pleased to continue working with him on wetlands-related issues.

The Bond-Breaux amendment is direct and straightforward. It simply says that mitigation banking shall be the preferred means, to the maximum extent practicable, to mitigate for wetlands or natural habitat which are affected as part of a Federal-aid highway project and whose mitigation is paid for with Federal-aid funds.

In addition, the amendment identifies three factors that are to be met in order to use a mitigation bank: first, the affected wetlands or natural habitat are to be in a bank's service area; second, the bank has to have enough credits available to offset the impact; and third, the bank has to meet federally approved standards.

So, Senator BOND and I, through this amendment, are simply trying to establish a reasonable, responsible wetlands and natural habitat mitigation policy as part of the Federal-aid highway program.

Our proposal has two key components: First, we say give mitigation banking a preference, to the maximum extent practicable, which is reasonable. Second, we say a bank should meet certain conditions to ensure its effectiveness and viability, which is being responsible.

Let me emphasize that our amendment does not mandate the use of mitigation banks. Nor does the amendment require their use nor does it say they shall be the sole means or the only method used to mitigate affected wetlands or natural habitat.

The Bond-Breaux amendment simply says mitigation banks shall be the preferred means, to the maximum extent practicable, and they must meet certain responsible conditions before they can be used.

Louisiana's transportation department officials have said that the State already uses mitigation banks and areas as an option for some of its highway projects.

Mitigation banks can offer several advantages when constructed and operated responsibly. They can achieve economies of scale. They can provide larger, higher quality and diverse habitat and they can make mitigation costs less expensive when compared to costs for some isolated mitigation sites which are not part of a bank.

The Bond-Breaux amendment certainly is in line with the environmental provisions and direction of the proposed highway bill we have before the Senate, S. 1173.

For these reasons, I urge the Senate's adoption of the amendment when it comes up for consideration.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent the Senate proceed to a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes until the hour of 6:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, October 22, 1997, the Federal debt stood at $5,421,844,508,272.92. (Five trillion, four hundred twenty-one billion, eight hundred forty-four million, five hundred eight thousand, two hundred seventy-two dollars and ninety-two cents)

One year ago, October 22, 1996, the Federal debt stood at $5,228,756,000,000. (Five trillion, two hundred twenty-

eight billion, seven hundred fifty-six million)

Five years ago, October 22, 1992, the Federal debt stood at $4,062,097,000,000. (Four trillion, sixty-two billion, ninety-seven million)

Ten years ago, October 22, 1987, the Federal debt stood at $2,384,316,000,000. (Two trillion, three hundred eighty-four billion, three hundred sixteen million)

Fifteen years ago, October 22, 1982, the Federal debt stood at $1,140,017,000,000 (One trillion, one hundred forty billion, seventeen million) which reflects a debt increase of more than $4 trillion—$4,281,827,508,272.92 (Four trillion, two hundred eighty-one billion, eight hundred twenty-seven million, five hundred eight thousand, two hundred seventy-two dollars and ninety-two cents) during the past 15 years.

IMMIGRATION EXTENSION IN THE CONTINUING RESOLUTION

Mr. FAIRCLOTH. Mr. President, I would like to make several comments on the extension of the provision of section 245(I) which is in the continuing resolution we passed today.

This provision of the Immigration and Nationality Act allowed foreign nationals to adjust their status while remaining in this country after either entering the United States illegally or remaining in this country after their visa expired and they became illegal.

Either way, these individuals have entered this country without having respect for our laws or have remained here because of little or no respect for our laws.

On August 22, 1996, this body passed legislation to attempt to enforce stricter penalties against those foreign nationals that arrive in the United States illegally or remain hidden in the workforce illegally after their visas expire. The law we passed required illegal aliens to leave this country and go through the proper channels of immigration from their homeland or remain here and be subject to a 3- or 10-year bar from reentry into our country.

The Illegal Immigration Act of 1996 calls for a mandatory 3-year bar against that illegal alien from entering this country if he or she has remained illegally in this country for 180 days after April 1, 1997.

If he or she remains here for 1 year after April 1, 1997, that bar is 10 years.

It appears in just over 1 year from passing this legislation and just at the time the 180 day timeframe kicks in—now this body is attempting to provide a loophole for illegal aliens to remain in this country with little or no consequence.

I am opposed to this extension. And I will not vote for any legislation that permanently extends the cut off period. What we are doing is rewarding illegal behavior.

I sometimes wonder why we have immigration laws that we do not enforce?

Our immigration policy in this country is a mess. We don't have a policy, because if we make one we make exceptions to it almost immediately. Here we are 1 year later and we are providing extensions already. When is this kind of legislating going to stop?

For as little as $1,000, someone can remain in this country illegally. This is a small price to pay to enable someone with little regard for our laws to remain in this great country.

Mr. President, what kind of signal does it send to hardworking, law-abiding Americans—that you can come to this country illegally and stay here illegally, for as little as $1,000.

I think we send the signal that anybody can come to the United States at anytime and stay here for as long as they want.

Maybe I have the answer to the respect for our laws that some noncitizens have. I have also received information from the Bureau of Prisons that in the Federal prison system approximately 26.6 percent of the Federal inmates are not U.S. citizens as of June 1997. To take care of these prisoners is costing U.S. taxpayers $687 million a year.

By the U.S. Congress extending the ability to adjust status to persons that have little regard for our laws with such little consequence, we are only condoning illegal actions and opening the door to further crime.

Illegal immigrants have put a burden on our Federal system which we cannot sustain and remain solvent. This is wrong. We as a country cannot continue to fix the errors of illegal immigrants. They should be held accountable for their actions.

Mr. President, it is a privilege to be in this great country. We must request all residents, whether citizens or noncitizens, of the United States adhere to our laws. And our message should be consistent.

For these reasons, I am strongly opposed to the extension of 245(I) that is in the continuing resolution. I am further opposed to any effort to make permanent changes to this law that would weaken our immigration policy.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:47 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution:

S. Con. Res. 56. Concurrent resolution authorizing the use of the rotunda of the Capitol for a ceremony honoring Leslie Townes (Bob) Hope by conferring upon him the status of an honorary veteran of the Armed Forces of the United States.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1534. An act to simplify and expedite access to the Federal courts for injured parties whose rights and privileges, secured by the United States Constitution, have been deprived by final actions of Federal agencies, or other government officials or entities acting under color of State law; to prevent Federal courts from abstaining from exercising Federal jurisdiction in actions where no State law claim is alleged; to permit certification of unsettled State law questions that are essential to resolving Federal claims arising under the Constitution; and to clarify when government action is sufficiently final to ripen certain Federal claims arising under the Constitution.

The message further announced that the House insists upon its amendments to the bill (S. 830) 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, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. BLILY, Mr. BILIRAKIS, Mr. BARTON, Mr. GREENWOOD, Mr. BURR, Mr. WHITFIELD, Mr. DINGELL, Mr. BROWN of Ohio, Mr. WAXMAN, and Mr. KLINK, as the managers of the conference on the part of the House.

ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, delivered by one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

The enrolled joint resolution was signed subsequently by the President pro tempore [Mr. THURMOND].

At 5:59 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, with an amendment, in which it requests the concurrence of the Senate:

S. 1139. An act to reauthorize the programs of the Small Business Administration, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations, with an amendment:

S. 1292. A bill disapproving the cancellations transmitted by the President on October 6, 1997, regarding Public Law 105–45.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Charles Vincent Serio, of Louisiana, to be United States Marshal for the Eastern District of Louisiana for the term of four years.

Joaquin L. G. Salas, of Guam, to be United States Marshal for the District of Guam and concurrently United States Marshal for the District of the Northern Mariana Islands for the term of four years.

Jose Gerardo Troncoso, of Nevada, to be United States Marshal for the District of Nevada for the term of four years.

Kenneth Ray McFerran, of Arkansas, to be United States Marshal for the Western District of Arkansas for the term of four years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. FORD (for himself, Mr. HELMS, Mr. FAIRCLOTH, Mr. MCCONNELL, Mr. CLELAND, Mr. HOLLINGS, and Mr. THURMOND):

S. 1310. A bill to provide market transition assistance for tobacco producers, tobacco industry workers, and their communities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LOTT (for himself, Mr. LIEBERMAN, Mr. MCCONNELL, Mr. REID, Mr. D'AMATO, Mrs. BOXER, Mr. COVERDELL, Mr. HELMS, Mr. DURBIN, Mr. MCCAIN, Mr. BROWNBACK, Mr. BENNETT, Mr. CAMPBELL, Mr. FEINGOLD, Mr. MACK, Mr. SHELBY, Mr. WYDEN, Mr. HUTCHINSON, Mrs. FEINSTEIN, Mr. HOLLINGS, Ms. MIKULSKI, Mr. NICKLES, Mr. CLELAND, Mr. INOUYE, Mr. DORGAN, Mr. BRYAN, Mr. ABRAHAM, and Mr. REED):

S. 1311. A bill to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles; to the Committee on Foreign Relations.

By Mr. ABRAHAM:

S. 1312. A bill to save lives and prevent injuries to children in motor vehicles through an improved national, State, and local child protection program; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. WARNER (for himself and Mr. FORD):

S. Res. 138. A resolution authorizing expenditures for consultants by the Committee on Rules and Administration; considered and agreed to.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. ROBERTS, Mr. DODD, Mr. JOHNSON, Mr. DEWINE, Mr. WELLSTONE, Mrs. MURRAY, Mr. REED, Mr. LEVIN, and Mr. INOUYE):

S. Res. 139. A resolution to designate April 24, 1998, as ''National Child Care Professional's Day'', and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FORD (for himself, Mr. HELMS, Mr. FAIRCLOTH, Mr. MCCONNELL, Mr. CLELAND, Mr. HOLLINGS AND Mr. THURMOND):

S. 1310. A bill to provide market transition assistance for tobacco producers, tobacco industry workers, and their communities; to the Committee on Agriculture, Nutrition, and Forestry.

THE LONG-TERM ECONOMIC ASSISTANCE FOR FARMERS ACT

Mr. FORD. Mr. President, on June 20, the attorneys general of several States emerged from a Washington hotel conference room to announce a proposed national tobacco settlement. The announcement sent Washington spin doctors to work, pronouncing the defeat of public enemy number one—the tobacco industry. Press release after press release painted a picture of fat cat tobacco executives, rich at the expense of public health, finally being called to account.

But this picture of tobacco is not what I see when I go home to Kentucky. There I see hard-working farmers trying to make an honest living off a crop that has helped hundreds of communities in my State thrive for centuries.

Maybe you've forgotten about the farmer. That wouldn't surprise me. They weren't in the room during the tobacco negotiations. They were not included in the final settlement, and to date, the only plan that mentions them would put them out of business.

Mr. President, it is as if the thousands of men and women who have been the bedrock of hundreds of communities simply no longer have any value.

Sixty thousand farm families produce tobacco in 119 of 120 counties in my State. While tobacco uses only 1 to 2 percent of their acreage, it produces 20 to 25 percent of their farm income. Along with these farm families are tens of thousands of workers who warehouse, process and manufacture tobacco. They all live in communities where every tobacco dollar has a multiplier effect on the local economy, rolling over three to four times.

And they're the reason I am here today.

Mr. President, I am pleased to join several of my colleagues in introducing legislation which addresses the needs of tobacco farmers, tobacco workers, and their communities and should provide the framework for taking care of them in any comprehensive legislation.

First and foremost, ''taking care of them'' means protecting the tobacco program.

Opponents of the program claim they're not attacking farmers, but with the program goes stability, with the program goes the small family farmer, and with the program goes hundreds of small rural communities.

Mr. President, the program is the key to preventing fence row to fence row production.

It is the key to keeping tobacco prices high.

And it is the key to keeping tobacco production in the hands of small family farms and keeping rural communities alive.

Without the program, look for cheap cigarettes, look for the size of farms—at the very least—to triple in size. Look for family farms to go out of business, and look for the rural communities they sustain, to shut down.

What are the benefits of killing the program? For hard-working family farmers there simply are none.

That is why killing the program is a nonstarter. And even though criticisms are based either on misconceptions or misrepresentations of the program, we're willing to address them by covering all these costs with our legislation. But make no mistake, we're not willing to eliminate the program.

The legislation we're introducing today follows the principles every one of my colleagues went on record supporting in a September 9 Sense of the Senate amendment. We all agreed that tobacco growers should be fairly compensated as part of any Federal legislation to implement the tobacco settlement. We all agreed tobacco growing communities should be provided sufficient resources to adjust to the economic impact of any settlement legislation. We all agreed compensation to farmers and their communities should come from funds provided within the parameters of the national settlement, as paid by tobacco manufacturers. And we all agreed the tobacco program should be maintained and operated at no net cost to the taxpayer.

These four simple principles will mean the difference between a productive future for tobacco farmers and a ''for sale'' sign up at the end of the driveway—the difference between communities where a farmer's children stay to raise their children and a ghost town.

At the core of the legislation is the establishment of a Tobacco Community Revitalization Trust Fund. The trust fund will provide compensation for farmers, investment funds for communities, and education and retraining funds, all within the parameters of the tobacco program and the national tobacco settlement dollar figure.

First, the fund will provide tobacco quota holders with ''Payments for Lost Tobacco Quota'' based on the drop in the amount of tobacco they can grow. The national tobacco settlement could cause consumption to drop substantially, which would translate into deep cuts in each farm's tobacco quota and each farmer's income. Under our bill, quota holders will receive $4 per pound per year for every pound by which the

quota drops below their base quota. A maximum lifetime limit on payments will be set for quota holders at $8 times the number of pounds in their base quota. Those who lease quota or grow tobacco as a tenant farmer will receive $2 per pound, with a life time cap of $4 per pound.

Second, the trust fund will make payments to cover all administrative costs associated with the production of tobacco. This will include salaries at USDA to administer the tobacco program, and any shortfall in the provision of crop insurance for tobacco farmers. This should finally put a stop to false claims that tobacco growers receive subsidies from the Federal Government.

Third, the trust fund will provide Farmer Opportunity grants for higher education. Tobacco farmers and their dependents will be eligible for higher education grants of up to $1,700 per year—which is the current average size of a Pell grant—to attend a university, community college, vocational school, or other recognized institution. Academic eligibility standards will be modeled after Pell grants, including requirements that students maintain satisfactory progress toward the completion of their degree, and maintain at least a C average. Funding will be provided to cover up to 25,000 individuals from tobacco farm families.

Mr. President, the tobacco program has long meant the difference between whether a family can afford to send their children to college or whether their education stops after grade 12. We need to do everything we can to preserve a farm family's ability to provide their children with access to higher education opportunities.

Fourth, the fund will provide benefits to displaced workers from tobacco warehousing, processing, and manufacturing operations. This program is modeled after the NAFTA Trade Adjustment Assistance Program for Displaced Workers. Under these provisions, workers who lose their jobs can receive tobacco readjustment allowances, employment services, job training, job search allowances, and relocation allowances, all of which are modeled after the NAFTA benefits and services.

And fifth, the fund will provide economic development assistance to tobacco growing communities hit hard by the national tobacco settlement.

The economic development fund will begin at $400 million per year minus the amount used for administrative costs of the tobacco program, distributed through block grants to tobacco growing States.

States can use the funding to provide several types of assistance including rural business enterprise grants, farm ownership loans, activities which create farm and off-farm employment, activities which expand infrastructure facilities, and services which help diversify local economies, long-term business technical assistance, grants to agricultural organizations to help tobacco growers find supplemental agricultural activities, and activities which create or expand locally owned value-added agricultural processing and marketing operations.

Providing stability, preserving traditions, keeping farms in the hands of families, protecting hundreds of communities, Mr. President, I believe this legislation will give tobacco farmers, tobacco industry workers and tobacco growing communities the resources to deal with the national tobacco settlement likely to impact them.

With the tobacco program completely funded by tobacco growers or the industry itself, antitobacco advocates can no longer take aim at the farmer under the pretense of fiscal responsibility. And with a sense of stability and predictability, farmers can begin to prepare for the future in a responsible and thoughtful way.

I plan on sharing this proposal with my colleagues involved in writing comprehensive legislative proposals to implement the national tobacco settlement, but I hope all my colleagues interested in this issue and interested in preserving a farming tradition will take a close look at this program so that we can move forward in helping tobacco farm families and their communities.

Mr. President, we have not just singled out the farmer. We have included the total community, from education to job opportunity, whatever it might be, so we have taken in the whole community. I am very pleased with the hard work and support that has been given to me by Senator MCCONNELL, Senator FAIRCLOTH, Senator HELMS, and others to make this introduction so important today.

Mr. FAIRCLOTH. Mr. President, I rise as an original cosponsor of this bill, the LEAF Act. I want to thank Senator FORD for the hard work and the leadership role he has taken over his years in the Senate on this bill and in support of the tobacco industry as a whole and, especially, the farmers involved in it.

There has been a lot of talk on this floor about farmers. Everyone is against tobacco, but they are for farmers. Everyone pledges to help the farmers. This bill is a blueprint for that help. This plan offers assistance to the tobacco community across North Carolina, Kentucky, and the entire producing area, including Virginia, South Carolina, Georgia, and Tennessee. These people are the men and women in tobacco fields and cigarette factories and their communities.

There are 18,000 tobacco farmers in North Carolina and thousands more throughout the Southeast. The farmers of my State collect more than $1 billion in receipts each year from tobacco alone. That is a big number, but it is spread over many small farms. Everyone in Washington talks about the small farmer, the family farm, but North Carolina is the State of small farms. The average farm size in North Carolina is just 159 acres, one-third of the national average, which is 469 acres. It is difficult at best to make a living on a small farm. Tobacco kept these people alive on small farming operations over the last 60 years. Tobacco produces roughly $1,200 an acre in net profit. There isn't anything else they can plant that comes close to this, even remotely close. Tobacco keeps the family farm together, and, Mr. President, it keeps the family on the farm. That is why we are here with this bill and the reason I am here this morning.

The impact of this proposed tobacco settlement would throw thousands of small farmers off their land and immediately into bankruptcy. It is up to us to step up and to help them through this transition.

I have talked about farmers so far and only farmers, but the economic impact of tobacco and this proposed settlement is not limited to farmers. There are 20,000 working people in factories across North Carolina manufacturing tobacco products. They pay mortgages, buy groceries and struggle to meet tuition bills. They are simply middle-class American people. However, tobacco is their livelihood, and Congress has set its sights on destroying their livelihood. That is simply what has happened here.

The entire tobacco sector employs 100,000 people in North Carolina. That is $7 billion in business in the State. It is 8 percent of the work force and represents a lot of families. I am here to attempt to stand up for these people.

Next year the Congress will take up an agreement that deals a real blow to the livelihood of these thousands of people. Tobacco production is expected to drop significantly under the proposed agreement. The farmers and factory workers are in the cross hairs of the tobacco settlement, and whether the antitobacco crowd is aiming at them or not, they are the ones who are going to be hit. This bill tells them that Congress will try to lessen the effects on the innocent parties, the hard-working men and women in the tobacco fields and on the factory floor.

Senator FORD explained these transition payments to farmers. The Freedom to Farm Act moved farmers to an unregulated market and included substantial transition payments to assist them through this change. However, there was nothing in that bill designed to cut production of corn, wheat or any other crop. This proposed tobacco settlement takes aim at this crop, however, so the transition payments are a necessity.

The amount of money in this bill for the farmers and factory workers is modest compared to the amount of money that others seeking from the settlement. Somewhere in the neighborhood of $28 billion would be involved in Senator FORD's bill. Now, it might interest you to know that the hundreds of trial lawyers involved in this potential settlement expect to receive up to

$45 billion, almost two times as much as we are asking for the more than 150,000 people effected by this settlement.

The farmers face a situation where the Government will target their crop and cut its production. We need the transition money. How many people, farmers or not, could stand a quick reduction of 30 percent of their income due to the intended actions of the Federal Government? That is simply what we are talking about here—reducing the tobacco farmer's income by 30 percent. This bill is about the future of communities and literally big sections of our State. The bill includes farm opportunity scholarships to allow the farmers and their children additional educational opportunities. It also provides for rural development to enable these communities to survive the transition. This bill tells farmers that Congress is not leaving them without any options for the future. It tells them the rhetoric against tobacco is not really against them. At this moment they believe that it is and have every reason to think so.

This bill is a chance to back up all the rhetoric about being against tobacco but for farmers. If we are for farmers, we will pass this bill. I hope my colleagues will join me, Senator FORD, Senator MCCONNELL, and Senator HELMS in support of this bill.

Mr. MCCONNELL. Mr. President, I thank Senator FORD for his important work and his leadership on this issue. It is so vital to the State we jointly represent.

I am pleased to be on the floor of the Senate today to talk about an industry that has played an integral role in our country's history and continues to shape the cultural and economic landscape of the Commonwealth of Kentucky. The industry, of course, is tobacco. And for the next few minutes I want to discuss tobacco and the shifting political terrain that will affect the 136,000 farmers who produce this agricultural commodity.

This summer a group of States attorneys general, representatives of the major tobacco companies, and public health officials negotiated an agreement that would limit the companies' legal liability in exchange for their promise to help reduce smoking and compensate States for past damages caused by use of their product. This agreement obviously must be passed by the Congress and signed by the President to have the force of law, and that process is now what best could be described as in its initial stages.

To my deep disappointment, tobacco farmers were not included in these negotiations. They had no seat at the table. Not surprisingly, there is not a single penny in this $368 billion pool of money for tobacco farmers, even though they will be the ones most directly impacted by the agreement. On the other hand, the agreement allows for the compensation of well-heeled sporting enterprises such as auto racing and rodeos in the event they lose sponsorship dollars but not a penny goes to the hard-working tobacco farmers who may well be driven off their family farms because of an agreement to which they were not a party.

Today, along with Senator FORD, the principal craftsman of this bill, Senator HELMS and Senator FAIRCLOTH, I propose to right that wrong by supporting a package that will provide for these farmers' well-being. Today, my colleagues and I are introducing the Long-term Economic Assistance for Farmers Act, what we call the LEAF Act, which creates an umbrella ''Tobacco Community Revitalization Fund.'' The fund, to be paid for from moneys within the existing $368-billion settlement, will stabilize the incomes of tobacco farmers by providing payments for lost tobacco quota to tobacco quota holders, tenants and those who lease quota. Quota holders who produce their own tobacco will be paid $4 a pound in any given year for every pound their quota falls behind their average 1994–1966 quota level. In the case of leased tobacco and tenant farmers, payments will be $2 a pound.

A portion of the fund will also be used for Tobacco Community Economic Development Grants which will help transition tobacco dependent communities to a more diversified economic base. The economic development grants will be used for costs incidental to the tobacco program, economic development grants to States, farmer opportunity grants for education and training, and assistance for displaced tobacco industry workers.

Mr. President, most agree that tobacco farmers and their communities should not bear the brunt of the agreement's dislocating effects. For instance, Minority Leader DASCHLE has said that ''We need to address some of the concerns that were not addressed in the agreement * * * especially those dealing with small farmers.'' The President himself has said, ''Any tobacco legislation must protect tobacco farmers and their communities.'' Even tobacco's most committed foes such as former FDA Commissioner David Kessler recognize that, as he put it, ''farmers should not be left out'' of the agreement. The LEAF Act does provide for farmers. It provides compensation for reduced quota to owners and those who produce the tobacco. It provides opportunities for tobacco farmers to diversify their crops. It provides economic stability for small tobacco farmers and their tobacco communities. It provides education and training opportunities for tobacco farmers and their dependents. It keeps farmers like mine in Kentucky in the business of producing this legal agricultural commodity.

So, Mr. President, I rise in support of the LEAF Act. I thank Senator FORD for his leadership and tireless efforts to protect our tobacco growers and their communities. I believe Senator FORD's bill provides the best alternative for our growers.

Having said that, I realize we face an uphill battle. Today's political environment for tobacco interests is darkened mightily. In today's Senate, outrageously unfair amendments that deny basic crop insurance to tobacco farmers are only narrowly defeated. The ceaseless assault on tobacco has left the tobacco grower imperiled. In this context it may be difficult to sustain the political support necessary to enact all of the bill's provisions. I personally will fight for the Ford package, but I also will be cognizant of political reality. It is my fervent hope that we can incorporate the LEAF Act into any settlement legislation.

If that is not achievable, I will not be discouraged from pursuing alternative ways to best provide tobacco farmers' needs.

Finally, Mr. President, as Congress discusses the proposed tobacco settlement, I urge my colleagues to remember that our decisions will not affect some nameless, faceless machine. Rather, our actions here will bear directly on thousands of hard-working tobacco farmers, men and women who pay their taxes, go to church, raise their families, and do their best to provide for future generations. We owe it to them to ensure that today's changes in the tobacco culture leave them with a stable future as well.

Mr. President, I yield the floor.

Mr. FORD. Let me thank my colleagues for their remarks. One of the things that we have to take into consideration is that this bill is a bill that looks not only to the farmer but to his family, his children for education, and economic development in the community. I hope people understand, I hope my colleagues understand, that this bill incorporates payment for everything, even the shortfall in the crop insurance. So there should not be these so-called cheap shots, as my colleague from Kentucky explained, as it relates to the tobacco farmer, under this proposal. If you take a look, I would hope Senators will understand that. We have worked very hard putting this package together and hopefully it will be accepted within the parameters of any agreement.

Mr. HELMS. Mr. President, I too am pleased to be an original cosponsor of Senator FORD's bill, titled the Long-term Economic Assistance for Farmers Act (S. 1310). The able senior Senator from Kentucky is to be commended for offering this legislation.

Mr. President, as farmers and rural communities in tobacco-growing States come to terms with the national tobacco settlement, this bill will address some of the needs sure to arise during this critical economic adjustment period. I believe this legislation is a good starting point for helping these farmers, their families, and their communities.

Obviously, it is too much to hope that everybody affected by the settlement will be satisfied with every provision in this bill, but it is important

that we begin to take steps to ensure farmers the same stability and predictability that the tobacco companies sought when they negotiated the national tobacco settlement.

Mr. President, let me make it clear that—and I believe Senator FORD and all other supporters of this legislation agree—that this is only a starting point. It may be—after consultation with growers, companies and other affected parties—that only minor changes in this legislation need to be made. Or, it may be—that a significant overhaul in our approach to this issue is needed.

Whatever the future holds, of this tobacco growers may be assured: I will do everything proper in my power to protect their interests. I have often been criticized for standing up for the livelihoods of tobacco farmers—and I suppose I will be criticized many times more in the future. Let the critics proceed, but I shall never retreat from my convictions that the hard-working families deserve to be recognized for the good citizens and splendid families that they are.

So, Mr. President, again I commend my friend from Kentucky, Mr. FORD, for his tireless effort to protect tobacco farmers, and I am honored to stand with him once again.

By Mr. LOTT (for himself, Mr. LIEBERMAN, Mr. MCCONNELL, Mr. REID, Mr. D'AMATO, Mrs. BOXER, Mr. COVERDELL, Mr. HELMS, Mr. DURBIN, Mr. MCCAIN, Mr. BROWNBACK, Mr. BENNETT, Mr. CAMPBELL, Mr. FEINGOLD, Mr. MACK, Mr. SHELBY, Mr. WYDEN, Mr. HUTCHINSON, Mrs. FEINSTEIN, Mr. HOLLINGS, Ms. MIKULSKI, Mr. NICKLES, Mr. CLELAND, Mr. INOUYE, Mr. DORGAN, Mr. BRYAN, Mr. ABRAHAM, and Mr. REED):

S. 1311. A bill to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles; to the Committee on Foreign Relations.

THE IRAN MISSILE PROLIFERATION SANCTIONS ACT OF 1997

Mr. LOTT. Mr. President, I rise today to introduce the Iran Missile Proliferation Sanctions Act of 1997. I am pleased to be joined in this bipartisan effort by Senator LIEBERMAN, as well as Senators MCCONNELL, REID, D'AMATO, BOXER, COVERDELL, HELMS, DURBIN, MCCAIN, BROWNBACK, BENNETT, CAMPBELL, FEINGOLD, MACK, SHELBY, WYDEN, HUTCHINSON, FEINSTEIN, HOLLINGS, MIKULSKI, NICKLES, CLELAND, INOUYE, DORGAN, and BRYAN.

This is very important legislation which addresses a serious threat, in my opinion, to American security: Iran's relentless efforts to acquire ballistic missile technology. There is no doubt that Iran is the major proliferation danger in the world today. Iran is committed to developing nuclear, chemical and biological weapons and the means to deliver them.

The consequences of Iran's ballistic missile development would be disastrous. Iran actively supports terrorist groups around the world. Earlier this year, a German court found Iran's intelligence services responsible for assassinations on German soil. There is a very real possibility that Iran was behind the murder of 19 Americans in the Khobar Towers bombing on June 25, 1996.

News reports now indicate that Iran is developing two missiles with ranges of 800 or more than 1,200 miles. Such missiles would be able to reach American forces stationed in the Persian Gulf. They would be able to reach Israel. They would be able to reach our NATO ally, Turkey. They would be able to reach all the way into Central Europe, as a matter of fact.

The terrorist regime in Iran has already demonstrated its willingness and ability to use bombings and hit squads to support its radical agenda in the Middle East and in Europe. We cannot sit back and allow Tehran to acquire ballistic missile capability that could hit even more targets with the push of a button, possibly even with nuclear warheads.

This administration's track record on dealing with Iran is not encouraging. We are always anxious to work with the administration in these important foreign policy issues. In 1995, with great fanfare, the administration announced it was strongly opposed to the sale of Russian nuclear reactors to Iran and the issue would be handled in the commission headed by Vice President GORE and Russian Prime Minister Chernomyrdin. In the intervening 2 years there has been no progress in halting that sale, or sales of this type.

In 1995 the administration gave a green light to Iranian extremists who gained a foothold in Europe by arming the Bosnian Government. The residue of that green light still affects the situation in Bosnia today. So, there are problems, obviously, in this area.

When the news reports in the Washington Times over the last month indicated that there were very serious concerns about Russian support for Iran's missile technology programs, many of us on Capitol Hill looked for action. Vice President GORE, we were told, would raise the issue with the Prime Minister when he was in Russia, but the response that he received apparently was to call the news report ''stupid'' and ''not worthy of comment.''

I think, after consultation with the administration, that this legislation is necessary because not enough has been done to address this Iranian missile development. I believe it is clear that existing United States law has been broken by Russian entities. Emissaries have gone to Moscow, information has been shared. Yet, no sanctions action has been taken by the administration.

This legislation is necessary because it is time to act. Many have recently expressed concern about Congress imposing ''unilateral'' sanctions. My response is that Congress will step into a vacuum and take unilateral action when inadequate action is being taken in other areas.

The legislation is quite simple. It requires the President to report in 30 days, and every 180 days thereafter, on entities that have transferred or attempted to transfer goods, technology, technical assistance or facilities that contribute to Iran's efforts to acquire, develop or produce ballistic missiles.

The legislation requires three sanctions on any such entities: No export of American arms, no export of restricted dual-use items, and no American Government assistance. So it is a targeted sanction, aimed at the entities involved in these actions.

Congress has established with successive administrations, special criteria in existing law for each of these three things. Our legislation simply says if you help Iran acquire ballistic missile capability, you will not get arms, controlled exports, or taxpayer-financed aid.

Similar bipartisan legislation is being introduced in the House today. I refer back to my opening remarks. There are already, I believe some 26 Senators who are cosponsoring on both sides of the aisle, from all regions of the country and all philosophical spectrums.

I hope the Senate will take action on this legislation before the end of the session. Certainly, it will provide, hopefully, some additional impetus for the administration to aggressively address this issue. A number of changes have been made in the legislation to meet policy and legal concerns of the administration, and I hope the administration will see the merits of imposing these serious and rapid sanctions on entities which aid Iran's efforts to threaten American forces and American allies.

We cannot stand mute. We cannot ignore this very serious matter. We will continue to work with the administration and support any aggressive efforts that they care to use. But after serious consideration, and after consultation particularly with Senator LIEBERMAN, I thought it was important that we go ahead and introduce this legislation today, and explain why we are doing it.

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

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

S. 1311

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 ''Iran Missile Proliferation Sanctions Act of 1997''.

SEC. 2. REPORTS ON MISSILE PROLIFERATION TO IRAN.

(a) REPORTS.—Except as provided in subsection (c), at the times specified in subsection (b), the President shall submit to the Committee on International Relations of the House of Representatives and the Committee

on Foreign Relations of the Senate a report identifying every foreign person with respect to whom there is credible evidence indicating that that person, on or after August 8, 1995—

(1) transferred goods or technology, or provided technical assistance or facilities, that contributed to Iran's efforts to acquire, develop, or produce ballistic missiles; or

(2) attempted to transfer goods or technology, or attempted to provide technical assistance or facilities, that would have contributed to Iran's efforts to acquire, develop, or produce ballistic missiles.

(b) TIMING OF REPORTS.—The reports under subsection (a) shall be submitted not later than 30 days after the date of the enactment of this Act, not later than 180 days after such date of enactment, not later than 360 days after such date of enactment, and annually thereafter.

(c) EXCEPTION FOR PERSONS PREVIOUSLY IDENTIFIED OR SANCTIONED OR SUBJECT TO WAIVER.—Any person who—

(1) was identified in a previous report submitted pursuant to subsection (a);

(2) has engaged in a transfer or transaction that was the basis for the imposition of sanctions with respect to that person pursuant to section 73 of the Arms Export Control Act or section 1604 of the Iran-Iraq Arms Non-Proliferation Act of 1992; or

(3) may have engaged in a transfer or transaction, or made an attempt, that was the subject of a waiver pursuant to section 4, is not required to be identified on account of that same transfer, transaction, or attempt, in any report thereafter submitted pursuant to this section.

SEC. 3. IMPOSITION OF SANCTIONS.

(a) REQUIREMENT TO IMPOSE SANCTIONS.—

(1) REQUIREMENT TO IMPOSE SANCTIONS.—The sanctions described in subsection (b) shall be imposed on—

(A) any foreign person identified under subsection (a)(1) of section 2 in a report submitted pursuant to that section; and

(B) any foreign person identified under subsection (a)(2) of section 2 in a report submitted pursuant to that section, if that person has been identified in that report or a previous report as having made at least 1 other attempt described in subsection (a)(2) of that section.

(2) EFFECTIVE DATE OF SANCTIONS.—The sanctions shall be effective—

(A) 30 days after the date on which the report triggering the sanction is submitted, if the report is submitted on or before the date required by section 2(b);

(B) 30 days after the date required by section 2(b) for submitting the report, if the report triggering the sanction is submitted within 30 days after that date; and

(C) immediately after the report triggering the sanction is submitted, if that report is submitted more than 30 days after the date required by section 2(b).

(b) DESCRIPTION OF SANCTIONS.—The sanctions referred to in subsection (a) that are to be imposed on a foreign person described in that subsection are the following:

(1) ARMS EXPORT SANCTION.—For a period of not less than 2 years, the United States Government shall not sell to that person any item on the United States Munitions List as of August 8, 1995, and shall terminate sales to that person of any defense articles, defense services, or design and construction services under the Arms Export Control Act.

(2) DUAL USE SANCTION.—For a period of not less than 2 years, the authorities of section 6 of the Export Administration Act of 1979 shall be used to prohibit the export of any goods or technology on the control list established pursuant to section 5(c)(1) of that Act to that person.

(3) UNITED STATES ASSISTANCE.—For a period of not less than 2 years, the United States Government shall not provide any assistance in the form of grants, loans, credits, guarantees, or otherwise, to that person.

SEC. 4. WAIVER.

The President may waive the imposition of any sanction that otherwise would be required to be imposed pursuant to section 3 on any foreign person 15 days after the President determines and reports to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that, on the basis of information provided by the person, or otherwise obtained by the President, the President is persuaded that the person did not, on or after August 8, 1995—

(1) transfer goods or technology, or provide technical assistance or facilities, that contributed to Iran's efforts to acquire, develop, or produce ballistic missiles; or

(2) attempt on more than one occasion to transfer goods or technology, or to provide technical assistance or facilities, that would have contributed to Iran's efforts to acquire, develop, or produce ballistic missiles.

SEC. 5. ADDITIONAL INFORMATION REGARDING ACTIONS BY GOVERNMENT OF PRIMARY JURISDICTION.

As part of each report submitted pursuant to section 2, the President shall include the following information with respect to each person identified in that report:

(1) A statement regarding whether the government of primary jurisdiction over that person was aware of the activities that were the basis for the identification of that individual in the report.

(2) If the government of primary jurisdiction was not aware of the activities that were the basis for the identification of that individual in the report, an explanation of the reasons why the United States Government did not inform that government of those activities.

(3) If the government of primary jurisdiction was aware of the activities that were the basis for the identification of that individual in the report, a description of the efforts, if any, undertaken by that government to prevent those activities, and an assessment of the effectiveness of those efforts, including an explanation of why those efforts failed.

(4) If the government of primary jurisdiction was aware of the activities that were the basis for the identification of that individual in the report and failed to undertake effective efforts to prevent those activities, a description of any sanctions that have been imposed on that government by the United States Government because of such failure.

SEC. 6. DEFINITIONS.

In this Act:

(1) GOVERNMENT OF PRIMARY JURISDICTION.—The term ''government of primary jurisdiction'' means the government under whose laws a foreign person is organized, or the government of the place where a foreign person is headquartered or habitually resides.

(2) FOREIGN PERSON.—The term ''foreign person'' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor or subsidiary of any such entity that is organized, headquartered, or habitually resides outside the United States.

Mr. LIEBERMAN. Mr. President, I am pleased to join my friend and colleague Senator LOTT, and the other cosponsors, in offering this bill which addresses what I believe is one of the most serious and urgent national security threats facing this country. Ballistic missiles in the hands of a nation that has been our most implacable foe in the recent past and that has been the single most intransigent supporter of terrorism against this Nation and our allies should fill any right thinking person anywhere with the most profound fear and concern. Indeed, we here in this body have often expressed our concern. We have given the administration the tools to address this problem, specifically in the Arms Export Control Act and in the Iran-Iraq Sanctions Act. Regrettably, our concern and these tools have not yet resolved this threat. In fact, it is widely and reliably reported that persons in Russia continue to provide both technology and assistance to Iran such that Iran may be now only 8 months from acquiring ballistic missiles that could be combined with weapons of mass destruction to threaten United States forces and our allies and friends in the Middle East. And soon after that, our forces and allies throughout Europe.

This would be a profound change in the balance of power in the region, and strike a serious, perhaps fatal blow to our ability to contain Iran until it becomes a responsible member of the community of nations. It would allow Iran to threaten friendly Arab states, making it harder for them to cooperate with the United States. It would raise the risks to U.S. military forces in the region. And it would threaten the free flow of oil in this critical region, which could create crises in places far from the Persian Gulf.

We must act to try to prevent this from happening. We must tell Russia in no uncertain terms that we are serious, and that the time for slow progress in shutting off Russian assistance is past.

Many of us are aware that the degree of government control over dangerous technology in the former Soviet Union has eroded considerably. While trying to remedy this potentially frightful situation, the Russian Government must contend with other pressing internal issues. The results are that persons or groups within Russia have had the latitude to transfer technology to rouge states such as Iran.

We have the opportunity as well as the obligation to stand up, be counted, and take reasonable steps to deter this type of potentially cataclysmic activity. While we cannot expect to prevent all such technology transfers to rogue states, we do have the ability to check the flow of it through sanctions aimed at persons engaged in such activity. We also are able and must take appropriate action against those governments that condone such activity, whether they are organizing and abetting such transfer or merely looking the other way when their citizens engage in these activities.

For many years, the United States and the few other members of the missile club of nations could be reasonably

assured that these missiles armed with nuclear weapons would not be used. That was because the leaders of these nations were generally reasoned individuals who shared many of the same goals. As this technology has spread to other countries—and continues to expand at an alarming rate—some of the leaders share very different views on methods to solve confrontation. We have to actively guard against these weapons becoming available to what most of the world considers to be unstable states governed by leaders whose thinking is outside the mainstream.

We have been engaged in dialogue across a wide spectrum with our friends and allies in trying to prevent this from happening. As I mentioned earlier, the prospect of a nuclear capable, militarily powerful Iran armed with ballistic missiles, is clearly not in our national interests. Our efforts at putting controls on the flow of technology to rogue states have been laudable, but the sieve has been leaking.

The sanctions we are proposing will further stop the diffusion of technology and lead toward a more stable Middle East. I fully support this effort because it will help prevent further technology transfer into an area that has seen several major wars in the last thirty years and that remains a region of vital national interest not only to us but to most of the industrial world.

In closing, I want to take this opportunity to express my thanks to Senator LOTT for his leadership in this matter. This is an important step toward a safer world.

Mr. MCCAIN. Mr. President, the subject of the transfer of sensitive missile, weapons of mass destruction, and advanced conventional weapons technology to Iran is far more complicated than most of us would like to admit. As neighbors in a volatile region, Russia and Iran have a long history of mutual antipathy alternating with periods of intense cooperation. The official atheism of the former Soviet Union was anathema to the Islamic tenets of revolutionary Iran. The former enjoyed the benefits of a sizable buffer between Russia proper and the Persian kingdom-turned-fundamentalist regime.

With the disintegration of the U.S.S.R. and the emergence of independent Islamic governments along its southern frontier, Russia no longer enjoys the security it once maintained. Certainly, the absence of the kind of domestic and foreign security apparatus characteristic of its totalitarian past has exacerbated the problem of stemming Islamic influence, and Russia has sought to maintain an active military role in the region to prevent the spread of such influence, as well as of the kind of fighting that ravaged Tajikistan for years. The state of its economy, combined with its desire to maintain the best possible relations with Iran, have led Russia to pursue policies thoroughly inimical to vital United States interests in the Middle East.

Herein lies the problem. It is in the interests of the United States for Russia to develop economically, obviously through free market mechanisms. It is in Russia's interest to have access to Iranian oil, to the revenue generated by sales to Teheran of whatever the latter will buy, and to be able to maintain cordial relations with a regime that possesses, albeit less so since its presidential election, the wherewithal to destabilize the region. Consequently, any decision to impose sanctions on Russia for its sale of missile and other advanced weapons technologies to Iran understandably should come only after an extraordinarily cautious appraisal of the potential ramifications of doing so.

I stand before the Senate today to state as emphatically as I can that such sanctions must be imposed. While news reports of missile technology sales, in violation of both the 1987 Missile Technology Control Regime and the 1992 Iran-Iraq Arms Non-Proliferation Act, have appeared in great numbers over the past several months, the problem clearly has history going back years that the administration continues to ignore at our and our allies peril. Were the problem not one of such duration, the Iran-Iraq Arms Non-Proliferation Act, of which I was a principal sponsor along with then-Senator AL GORE, would not have been necessary 5 years ago. Were the problem a recent manifestation of Iranian ambitions and Russian inability or unwillingness to control the flow of militarily sensitive technologies, I would be willing to respect the administration's prerogative in the conduct of United States foreign policy.

Such, however, is not the case. Developments involving Russia and Iran—and I am not intending to ignore China, simply focusing on a more immediate and larger scale problem of the moment—are indicative of a more systemic problem not conducive to quiet diplomacy and seemingly endless patience. The Teheran Times boasted in November 1995 of Russia's intransigence in the face of United States efforts at dissuading it from providing Iran with nuclear technology. Earlier that year, Russia's Minister for Atomic Energy, Viktor Mikhailov, spoke of his Government's intention to sell Iran a centrifuge for the enrichment of used nuclear fuel. More recently, reports of contracts being signed between Russian companies and research institutes—organizations with which the Government maintains an integral relationship—for the provision of missile components, including guidance systems, laser equipment, wind tunnels for the testing of warheads and missiles, and militarily sensitive materials like tungsten-coated graphite, all illuminate a problem of enormous magnitude that, Moscow's protestations notwithstanding, nevertheless reflect minimal effort on that government's part to impede the flow of such technology to Iran.

Russia sees its economic interests as lying very much in closer relations with Iran. Pipelines transporting Caspian Sea oil and natural gas present Russia with potential revenue in the hundreds of millions of dollars, should it prevail in dictating future pipeline routes. Iran's announcement last year of a joint shipping venture with Russia similarly illuminated the depth of the growing economic relationship between the two countries. The economic importance of Iran to Russia and Russia's lack of viable exports other than the very weapon systems that threaten United States interests in the Middle East have created a dilemma, but one with which we must come to grips.

Moscow, similarly, must confront the implications of its actions or inactions with respect to the transfer of militarily sensitive technology. It clearly places enormous economic importance on its relationship with Iran, but it needs to be reminded that it fails within the range of the very missiles it is helping Iran to develop. Russia may, in the end, find itself selling Teheran the rope with which to hang itself.

The administration must comply with existing United States laws. It must take Russia to task, in the form of economic sanctions, for the continuing problem of missile technology transfer to Iran. Russia must be made to see that its economic well-being does not lie with transactions that threaten United States interests. Russia desperately wants recognition as a major global player despite its inability to influence events militarily or economically far beyond its borders. When the United States, Germany, or Japan coughs, much of the industrialized world catches cold. When Russia coughs, Moscow catches cold. If Russia wants to see the Group of Seven be permanently enlarged by one, it must accept that its economic future lies with the democracies of North America, Europe, and Asia—not with rogue regimes that seek to threaten the interests of those nations.

The Iran-Iraq Arms Non-Proliferation Act mandates sanctions against both foreign companies and governments for the transfer of missile, chemical, biological and nuclear weapon technologies as well as advanced conventional systems. It further provides for discretionary sanctions. Russia has thoroughly violated the act, as well as the MTCR. Not only has it transferred to Iran missile and nuclear technology, it has sold to Teheran advanced surface-to-air missile systems, three Kilo-class attack submarines with which Iran fully intends to asserts its control over the vital Strait of Hormuz, modern T–72 main battle tanks, and MiG–29 fighter and Su–24 strike aircraft. If the cumulative effect of these weapon sales does not violate both the MTCR and the Iran-Iraq Act, then nothing does. And, Mr. President, as a principal sponsor of the latter legislation, I can personally attest that, irrespective of administration determinations constructed to suit its policy preferences,

these transfers from Russia do violate both the letter and the intent of the law.

The administration must act on this issue of utmost importance to United States national security interests. The Middle East lies at the center of our National Security Strategy and the force structure exercises that repeatedly postulate the likelihood of future conflict in that strife-torn region. The administration has not presented to Congress any reason, compelling or otherwise, for its refusal to abide by Public Law 102–484 and the MTCR. Congress must demand that it do so, or impose sanctions accordingly. Its failure to do so is inexcusable. The ramifications of that failure will be serious indeed, and the costs will inevitably be paid in American blood.

That is why we are introducing legislation to toughen existing statutes by making the imposition of sanctions more certain and requiring that the administration report to Congress information on weapons sales that will better enable the legislative branch of Government to determine for itself whether past failures to impose sanctions have been warranted. Governments must be held accountable when entities within their borders act dangerously irresponsible.

The administration must comply with the law, or sacrifice its role in the formulation of U.S. foreign policy in one of the most important regions of the world.

Mr. WYDEN. Mr. President, I rise today in support of the Iran Missile Proliferation Act of 1997, introduced by Senators LIEBERMAN and LOTT. This legislation is critically needed because of dangerous recent developments in the Middle East, namely disturbing reports that indicate Iran is acquiring terrifying weapons of mass destruction at an alarming pace.

Iran has become the most serious threat to stability in the Middle East and is rapidly developing the means to strike Israel. Very recently, Israeli and American intelligence have discovered that, due largely to technology obtained from Russia, Iran may soon have the capability to begin assembling and testing ballistic missiles capable of reaching Israel and other vital targets in the Middle East.

Russian companies are providing Iran with crucial technologies, including wind tunnels for the design of missiles, lasers, and special materials for missile construction. There are even reports of over 9,000 Russian advisers working in Iran on a variety of military projects, and Iran earlier this year tested a Soviet-designed rocket engine.

Iran, one of America's foremost self-proclaimed enemies, has been linked to numerous anti-Israel terrorist attacks ranging from taking hostages and hijacking airlines to carrying out assassinations and bombings. These incidents include the taking of more than 30 Western hostages in Lebanon from 1984 through 1992, the bombings of the United States Embassy and the French-United States Marine barracks in Beirut in 1983 and the Buenos Aires terrorist attacks on the Israeli Embassy in 1992 and on the Argentine Jewish communal building in 1994. An Iranian ballistic missile capability would have enormous strategic repercussions for the Persian Gulf and the Middle East. Iran possesses chemical weapons, and quite possibly could be only a few years away from acquiring nuclear weapons.

Clearly, the United States must adopt a stronger approach toward Russia. To its credit, the administration has tried every diplomatic effort with Russia. Vice President GORE and other senior officials have addressed this issue at the most senior levels of the Russian Government, including with President Yeltsin and Prime Minister Chernomydrin, but these efforts have met with little success. Further discussions are set for November, however, and I believe Congress must act now to enact a more forceful policy which will ensure Russian cooperation.

The Lott-Lieberman legislation requires the President to submit a report to Congress 30 days after enactment, providing a list of the entities that have been implicated in the transfer or attempted transfer of goods, technology, or technical assistance that has contributed to Iran's efforts to acquire, develop, or produce ballistic missiles. Highly targeted sanctions will be imposed on these entities 30 days after the submission of the report, unless the President waives them under limited circumstances.

I urge my colleagues to support this vital measure which takes concrete steps to halt the spread of ballistic missile technology to Iran and to preserve peace and stability in the Middle East.

Mr. BENNETT. I am pleased to join with the Distinguished Majority Leader in sponsoring S. 1311 regarding arms sales to Iran. This is very critical legislation. If the relevant governments cannot regain control over their weapons sellers, Iran will have a ballistic missile capability within months instead of years.

Mr. President, on Tuesday, Secretary of State Madeleine Albright told me, ''Dealing with proliferation is the highest priority item of this administration.'' In the national security field, she has the right sense of priority. And certainly, Iran is the leading problem country.

The legislation we are introducing today calls on the administration to report on which foreign entities are contributing to Iran's missile ambitions. For example, the Washington Times has recently reported on a number of important Russian organizations involved in this trade. Special metals and associated technology are said to be involved. If necessary, sanctions against the named entities will be imposed.

I hope sanctions will not be necessary. I have some confidence that foreign government leaders will fulfill their commitments. But it may become necessary. We already know Iran has a chemical warfare capability and we suspect it has nuclear and germ warfare ambitions. We cannot allow a sponsor of state terrorism like Iran to obtain a ballistic missile delivery system.

Mr. President, I ask unanimous consent that an article from the October 20, 1997, issue of the Washington Times be printed in the RECORD.

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

RUSSIA SELLS IRAN MISSILE METALS

(By Bill Gertz)

A secret Russian production center completed a deal with Iran late last month to supply high-strength steel and special foil for Iran's long-range missile program, The Washington-Times has learned.

According to a classified United States intelligence report, the Russian Scientific and Production Center Inor concluded an agreement in late September to provide an Iranian factory with four special metal alloys used in long-range missiles.

The report contradicts assurances made by Russian officials only days before the report that Russia had no involvement with the Iranian missile program.

The report, labeled ''secret,'' says a two-month effort by Inor to market four alloys to Iran's Instrumentation Factories Plan, part of the Iranian Defense Industries Organization, has ''borne fruit'' with the Iranian agreement to buy the material.

''With an eye to establishing a long-term business relationship, the Russian firm offered to give the Iranian firm a discount on the total value of the invoice,'' the report states.

The deal, worked out between Inor Director L.P. Chromova and the Iranian factory director identified as A. Asgharzadeh, amounted to $48,000 for 620 kilograms of alloy, plus several hundred dollars in shipping and packaging costs.

Efforts to locate and contact Inor were unsuccessful, and a U.S. official said details about the facility are known only to the CIA.

A CIA spokesman declined to comment.

The deal includes Inor's offer to provide ''thermal treatment'' for the alloys ''so that the Iranians could process the material themselves,'' the report said.

The Iranians have bought 240 kilograms of the high-strength steel alloy known as ''21HKMT'' for $24,000, the report said. The steel will be sent in bars that U.S. officials say the Iranians will shape for missile-casing material.

The remaining materials are alloy foil designated by Inor as ''49K2F,'' ''CUBE2'' and ''5ON'' that are being sold in sheets 0.2 millimeter and 0.4 millimeter thick.

The special foil is used to shield guidance equipment in missiles—material that is needed only for longer-range missiles.

''This gets into the whole business of the longer-range ballistic missiles that they are seeking to develop,'' said one Clinton administration official familiar with the issue. ''There are a number of countries that are very, very concerned about these Shahab-3 and Shahab-4 missiles.''

During meetings with Vice President Al Gore in Moscow Sept. 19 and 20, senior Russian officials, including Russian President Borris Yeltsin and Prime Minister Victor Chernomyrdin, provided the administration with ''commitments'' that Russia is not assisting Iran's missile program, according to a senior White House official.

Asked if the administration believes those commitments have halted the missile trade, the senior officials said: ''The answer is, we are not satisfied. We're still concerned about ongoing activities.''

The official declined to comment on the Inor case, but said, ''to the extent that we see activities going on that we think are contrary to the assurances we've gotten from the Russians, we are making an effort to bring that to their attention and asking them to follow up.''

One official said ''21HKMT'' is a specialty steel that Iran does not produce. The steel is a key material used by North Korea and Iran for missiles, but it is not controlled under the 31-nation Missile Technology Control Regime (MTCR).

The Clinton administration has sought to add the alloy to the MTCR control list, but those efforts have been blocked by Russia and France, the official said.

Inor is one of several Russian scientific and production centers identified by U.S. intelligence agencies as being involved in Iran's development of a liquid-fuel missile similar in design to North Korea's Nodong missile.

In 1996, Inor prepared several contracts with Iran's Shahid Hemmat Industrial Group, which is in charge of Iran's liquid-fuel missile program. Inor brokered deals to supply the Iranians with laser equipment, special mirrors used in missile testing, maraging steel used in missile casings and composite graphite-tungsten material.

Russia's Central Aerohydrodynamic Institute has been helping Iran build a wind tunnel.

The Times disclosed last month that several Russian entities were involved in Iran's program to build two derivatives of the Nodong missile, the Shahab-3 and Shahab-4, that will be fielded within three years.

According to an Israeli military intelligence report provided to the CIA and the Pentagon in January, the Iranians have worked closely with the Russian Space Agency; Rosvoorouzhenie, the Russian government arms-export agency; the Bauman Institute; the missile manufacturer NPO Trud; a firm called Polyus and other institutes.

The Israeli intelligence report identified Yuri Koptev, head of the Russian Space Agency, as being connected to the project. Mr. Koptev is Mr. Yeltsin's representative in talks with the United States on the issue.

Asked about Mr. Koptev's role in the Iranian program, the senior White House official said Mr. Koptev was ''irate'' during the meetings in Moscow and felt disclosure of his role was ''an unfair slam.''

The official said Mr. Koptev has been helpful in seeking to resolve U.S. concerns.

Mr. Koptev told U.S. officials attending the Moscow meeting that he did not want U.S. aid to the Russian space program to ''collapse'' because of U.S. opposition to the Russia-Iran cooperation, which Mr. Koptev described as ''important in my world, but a secondary issue,'' the official said.

The official said he believes the Shahab-3 is ''within Iran's basic technical capabilities.'' For the Shahab-4, ''I think the Iranians are more heavily dependent on external, and in particular, Russian, assistance'' to field the system.

By Mr. ABRAHAM.

S. 1312. A bill to save lives and prevent injuries to children in motor vehicles through an improved national, State, and local child protection program; to the Committee on Commerce, Science, and Transportation.

THE CHILD PASSENGER PROTECTION ACT

Mr. ABRAHAM. Mr. President, today I rise to introduce legislation designed to increase the awareness and education of parents and public safety professionals with respect to the proper use and installation of child safety seats.

This legislation, the Child Passenger Protection Act of 1997, is nearly identical to legislation introduced in the other Chamber earlier this year by the gentlewoman from Maryland, Representative MORELLA. It would make $7.5 million [i.e., seven point five million] dollars available to the Secretary of Transportation in each of the next two fiscal years—FY'98 and '99—for the purpose of assisting State highway agencies, police departments, and child passenger safety organizations in setting up and promoting such programs.

To receive funding under this bill, a program must focus on preventing death and injury to children under the age of 5 years old. The program must educate the public about all aspects of the proper installation of child restraints using seat belt hardware and other supplemental hardware or modification devices. The program must also educate the public with respect to the appropriate child restraint design selection and placement as well as harness threading and harness adjustment. Finally, the program must train and retrain child passenger safety professionals, police officers, fire and emergency medical personnel, and other educators concerning all aspects of child restraint use.

As the parents of three children under the age of 5, all of whom still ride in child car safety seats, my wife and I can attest to the fact that these considerations require a great deal of attention. My wife Jane serves as Honorary Chairperson of the Detroit SAFE KIDS Coalition and has been deeply involved in the issue of car seat safety for some time, along with a number of other child protection advocacy issues. This past Labor Day, I was the sponsor of a Senate resolution that provided permission to the National SAFE KIDS Coalition to use the Capitol Building grounds for the kickoff event of the National SAFE KIDS Buckle Up Campaign. The entire Abraham family participated in this event. Our family has filmed Public Service Announcements on this issue for the National SAFE KIDS Campaign and we are planning to sponsor and to participate in car seat safety check events in the coming months back in Michigan.

Based on our shared experience, I can assure my colleagues that there is often tremendous confusion among both parents and public safety personnel when it comes to the proper selection, installation and use of child restraint devices in motor vehicles. Results from regional child restraint clinics demonstrated between 70 and 90 percent of child restraints are incorrectly installed or otherwise misused, which is often caused by the complication and wide variety in seat belt and child restraint designs. And while there are several public-private partnership programs which exist that focus on the dangers of air bags and the proper placement of children in cars equipped with air bags, many of these programs fall short of specifically educating parents and public safety officials on the proper methods for installing and using child safety seats.

It is my hope that we can focus the country's attention on this serious problem and, in the process, prevent needless death and injury among young children. While this legislation alone will by no means solve the problem, I believe it is a positive step towards better educating parents and public safety officials on this important public safety issue.

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

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

S. 1312

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 Passenger Protection Act''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The annual losses in the United States from motor vehicle collisions are estimated to exceed 800 deaths and 80,000 injuries to children under the age of 5.

(2) It is estimated that properly used child restraints in motor vehicles can reduce the chance of serious or fatal injury in a motor vehicle collision—

(A) by a factor of 69 percent with respect to infants; and

(B) by a factor of 47 percent with respect to children under the age of 5.

(3) Some of the most common seating position designs that have emerged in motor vehicles during the last decade make secure installation of child restraints difficult and, in some circumstances, impossible.

(4) Results from regional child restraint clinics demonstrated that 70 to 90 percent of child restraints are improperly installed or otherwise misused and the improper installation or other misuse is largely attributable to the complication and wide variations in seat belt and child restraint designs.

(5) There is an immediate need to expand the availability of national, State, and local child restraint education programs and supporting resources and materials to assist agencies and associated organizations in carrying out effective public education concerning child restraints.

SEC. 3. DEFINITIONS.

In this Act:

(1) CHILD RESTRAINT EDUCATION PROGRAM.—The term ''child restraint education program'' includes a publication, audiovisual presentation, demonstration, or computerized child restraint education program.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(3) STATE.—The term ''State'' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other territory or possession of the United States.

SEC. 4. CHILD PASSENGER EDUCATION.

(a) AWARDS.—The Secretary may enter into contracts or cooperative agreements

with, and may make grants to, State highway agencies and child passenger safety organizations that are recognized for their experience to obtain and distribute national, State, and local child restraint education programs and supporting educational materials.

(b) USE OF FUNDS.—Funds provided to an agency or organization under a contract, cooperative agreement, or grant under subsection (a) shall be used to implement child restraint programs that—

(1) are designed to prevent deaths and injuries to children under the age of 5; and

(2) educate the public concerning—

(A) all aspects of the proper installation of child restraints using standard seatbelt hardware, supplemental hardware and modification devices (if needed), including special installation techniques; and

(B) appropriate child restraint design selection and placement and in harness threading and harness adjustment; and

(3) train and retrain child passenger safety professionals, police officers, fire and emergency medical personnel, and other educators concerning all aspects of child restraint use.

(c) DISTRIBUTION OF FUNDS.—An agency or organization that receives funds made available to the agency or organization under a contract, cooperative agreement, or grant under subsection (a) shall, in carrying out subsection (b)—

(1) use not more than 25 percent of those funds to support nationwide child restraint education programs that are in operation at the time that the funds are made available;

(2) use not more than 25 percent of those funds to support State child restraint education programs that are in operation at the time that the funds are made available; and

(3) use at least 50 percent of those funds to implement national, State, and local child restraint education programs that are not in operation at the time that the funds are made available.

SEC. 5. APPLICATIONS AND REPORTS.

(a) APPLICATIONS.—To enter into a contract, cooperative agreement, or grant agreement under section 4(a), the appropriate official of an agency or organization described in that section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) REPORTS.—

(1) IN GENERAL.—The appropriate official of each agency or organization that enters into a contract, cooperative agreement, or grant agreement under section 4(a) shall prepare and submit to the Secretary, an annual report for the period covered by the contract, cooperative agreement, or grant agreement.

(2) REPORTS.—A report described in paragraph (1) shall—

(A) contain such information as the Secretary may require; and

(B) at a minimum, describe the program activities undertaken with the funds made available under the contract, cooperative agreement, or grant agreement, including—

(i) any child restraint education program that has been developed directly or indirectly by the agency or organization and the target population of that program;

(ii) support materials for such a program that have been obtained by that agency or organization and the method by which the agency or organization distributed those materials; and

(iii) any initiatives undertaken by the agency or organization to develop public-private partnerships to secure non-Federal support for the development and distribution of child restraint education programs and materials.

SEC. 6. REPORT TO CONGRESS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare, and submit to Congress, a report on the implementation of this Act that includes a description of the programs undertaken and materials developed and distributed by the agencies and organizations that receive funds under section 4(a).

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out section 4, there are authorized to be appropriated to the Department of Transportation $7,500,000 for each of fiscal years 1998 and 1999, of which not more than $350,000 may be spent in any fiscal year for administrative costs.

ADDITIONAL COSPONSORS

S. 61

At the request of Mr. LOTT, the name of the Senator from Georgia [Mr. CLELAND] 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 New Jersey [Mr. TORRICELLI] 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. 263

At the request of Mr. MCCONNELL, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 263, a bill to prohibit the import, export, sale, purchase, possession, transportation, acquisition, and receipt of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 328

At the request of Mr. HUTCHINSON, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 328, a bill to amend the National Labor Relations Act to protect employer rights, and for other purposes.

S. 412

At the request of Mr. LAUTENBERG, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 412, A bill to provide for a national standard to prohibit the operation of motor vehicles by intoxicated individuals.

S. 537

At the request of Ms. MIKULSKI, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 537, a bill to amend title III of the Public Health Service Act to revise and extend the mammography quality standards program.

S. 766

At the request of Ms. SNOWE, the name of the Senator from New Jersey [Mr. TORRICELLI] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 927

At the request of Ms. SNOWE, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 927, a bill to reauthorize the Sea Grant Program.

S. 943

At the request of Mr. SPECTER, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 943, a bill to amend title 49, United States Code, to clarify the application of the Act popularly known as the ''Death on the High Seas Act'' to aviation accidents.

S. 990

At the request of Mr. FAIRCLOTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 990, a bill to amend the Public Health Service Act to establish the National Institute of Biomedical Imaging.

S. 995

At the request of Mr. LAUTENBERG, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 995, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 1096

At the request of Mr. KERREY, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Texas [Mrs. HUTCHISON], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 1096, a bill to restructure the Internal Revenue Service, and for other purposes.

S. 1124

At the request of Mr. KERRY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1124, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 1153

At the request of Mr. BAUCUS, the names of the Senator from Oregon [Mr. WYDEN] and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 1153, a bill to promote food safety through continuation of the Food Animal Residue Avoidance Database program operated by the Secretary of Agriculture.

S. 1212

At the request of Mr. DORGAN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1212, a bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to clarify that records of arrival or departure are not required to be collected for purposes of the automated entry-exit control system developed under 110 of such Act for Canadians who are not otherwise required to possess a visa,

passport, or border crossing identification card.

S. 1225

At the request of Mr. HUTCHINSON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1225, a bill to terminate the Internal Revenue Code of 1986.

S. 1283

At the request of Mr. BUMPERS, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Michigan [Mr. ABRAHAM], the Senator from Virginia [Mr. ROBB], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 1283, a bill to award Congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred collectively as the ''Little Rock Nine'' on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas.

AMENDMENT NO. 1397

At the request of Mr. GRAMM the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of Amendment No. 1397 intended to be proposed to S. 1173, a bill to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes.

At the request of Mr. BYRD the names of the Senator from Colorado [Mr. CAMPBELL], the Senator from North Dakota [Mr. CONRAD], the Senator from Idaho [Mr. CRAIG], the Senator from Ohio [Mr. GLENN], the Senator from North Carolina [Mr. HELMS], the Senator from Michigan [Mr. LEVIN], and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of amendment No. 1397 intended to be proposed to S. 1173, supra.

At the request of Mr. BYRD the name of the Senator from Indiana [Mr. COATS] was withdrawn as a cosponsor of amendment No. 1397 intended to be proposed to S. 1173, supra.

SENATE RESOLUTION 138—AUTHORIZING EXPENDITURES FOR CONSULTANTS

Mr. WARNER (for himself and Mr. FORD) submitted the following resolution; which was considered and agreed to:

S. RES. 138

Resolved, That section 16(b) of Senate Resolution 54, 105th Congress, agreed to February 13, 1997, is amended by striking ''$300,000'' and inserting ''$400,000''.

SENATE RESOLUTION 139—TO DESIGNATE NATIONAL CHILD CARE PROFESSIONAL'S DAY

Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. ROBERTS, Mr. DODD, Mr. JOHNSON, Mr. DEWINE, Mr. WELLSTONE, Mrs. MURRAY, Mr. REED, Mr. LEVIN, and Mr. INOUYE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 139

Whereas more than 12,000,000 children under age 5, including half of all infants under age 1, in the United States, spend at least part of their day in the care of someone other than their parents;

Whereas there are millions of additional children under the age of 12 in the United States who are in some form of child care at the beginning and end of the school day as well as during school holidays and vacations;

Whereas for parents who must work, child care services that are dependable and of high quality make it easier to find and keep a job;

Whereas good child care helps parents reach and maintain economic self-sufficiency;

Whereas a solid partnership between parents and loving, trained child care professionals is essential to ensure the quality of child care, whether that care is provided in the home of the child, in a family child care setting, with relatives, or in a child care center;

Whereas the availability of child care that is reliable, convenient, and affordable is essential to maintaining and expanding the workforce of the United States and is vital for a parent making a successful transition from welfare to work;

Whereas for the millions of children in the care of someone other than their parents, child care provides the foundation upon which their future education will be built, and such care provides the basis on which the future workforce of the United States will be formed;

Whereas poor compensation and limited opportunities for professional training and education contribute to high staff turnover among child care providers, which disrupts the creation of the strong provider-child relationships that are critical to the healthy development of children;

Whereas the quality of child care has decisive and long-lasting effects on how children develop socially, emotionally, and academically, and how the children cope with stress;

Whereas studies indicate that children who require child care services do better in child care settings with trained, licensed, and accredited child care professionals; and

Whereas a national day of recognition for child care professionals will help people in the United States understand and appreciate the role of child care for working families, will highlight the importance of the parent-provider partnership, will provide opportunities to showcase skilled, nurturing providers and quality child care settings, and will energize more capable people to become child care professionals: Now, therefore, be it

Resolved, That the Senate designates April 24, 1998, as ''National Child Care Professional's Day''. The Senate requests that the President issue a proclamation calling on the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

Mr. JEFFORDS. Mr. President, I rise today to submit a Senate resolution to designate the fourth Friday in April, April 24, 1998, as National Child Care Professional's Day.

For the more than 12 million children under the age of five—including half of all infants under 1 year of age—who spend at least part of their day being cared for by someone other than their parents—it is important that we recognize the skills and dedication of the child care providers who take care of them. Child care professionals take care of our Nation's children in homes and centers throughout the country. They assume this responsibility for little pay, long hours, and few, if any benefits beyond the hugs and smiles of the children for which they care.

As the public dialog on child care moves to the forefront, we must keep in mind the people who are caring for our children, while their mothers and fathers work. If we want to move child care from babysitting to early childhood education we have to concentrate much of our efforts on professional development for child care providers. And we have to support efforts to make child care a valued profession—one that attracts the best and brightest and pays enough to keep them caring for our children.

Since 1990, the costs of child care have risen about 6 percent annually. This is almost triple the annual increase in the cost of living. At the same time, there are strong indicators that the quality of child care has significantly decreased during the same period of time. Parents are paying more bet getting less.

The quality of child care in America is very troubling. A recent nationwide study found that 40-percent of the child care provided to infants in child care centers was potentially injurious. Fifteen percent of center-based child care providers for all pre-schoolers are so bad that a child's health and safety are threatened; 70-percent are mediocre—not hurting or helping children; and 15-percent actively promote a child's development. Center-based child care, the object of this study, is the most heavily regulated and frequently monitored type of child care. There are strong indications that care for children in less regulated settings, such as family-based child care and in-home care, is far worse.

Unless we are willing to provide the support and assistance that is needed to help child care providers improve the services they provide to our children, there is little real hope for enhancing the quality of child care.

Since the 1970's there has been a decline in child care teacher salaries. In 1990, teachers in child care centers earned an average of $11,500 a year. Assistant teachers, the largest growing segment of child care professionals, were paid 10- to 20-percent less than child care teachers. The 1990 annual income of regulated family child care providers was $10,944 which translates to about $4 an hour. Nonregulated family child care, generally comprised of providers taking care of a smaller number of children, earned an average of $4,275 a year—substantially less than minimum wage.

With these wages, it is easy to understand why more child care providers do not participate in professional training or attend college classes to improve their skills. The costs of applying for

and receiving certification as a qualified child care professional are minimal, but understandably out of reach for many child care providers.

Think about it. At the most important time in the development of a child's brain, more than 12 million children are being cared for by people who are paid less than the person who picks up your garbage each week, are required to have less training than the person who cuts your hair, and less skill-based testing than the person delivering packages to your house. Child care providers play an important role in a child's development, for they help fine-tune the child's capacity to think and process information, social skills, emotional health, and acquisition of language.

That is why this resolution is so important. Good child care enables parents to work and maintain economic self-sufficiency—the goal of last year's welfare reform legislation. This resolution is a small step to increase the public's awareness of the need to support and recognize the vital work provided by child care professionals.

On April 24, 1998, I hope each of us will visit a child care center or family-based child care provider in our State. Lead efforts to celebrate the contributions that child care professionals make to our society, our economy, our families, and most of all—our children.

Mr. KENNEDY. I'd like to join Senator JEFFORDS in submitting the Senate resolution declaring the last Friday in April National Child Care Professional's Day.

Child care is a vital part of the fabric of the daily lives of millions of America families. The majority of children today have working parents who must find some way of ensuring that their children are safe and well-cared for during working hours.

Millions of children of all income levels are cared for by someone other than their parents. Each day, approximately 13 million children spend some or all of their day in some type of child care.

Research demonstrates that the quality of these settings makes a significant difference in children's health, safety and early learning. Yet far too many children are being cared for in poor quality settings that jeopardize their safety and development.

We know how to do it better, and it is long past time to start doing it. A sensible action plan includes better staff training, requiring basic health and safety protections, monitoring programs, informing parents, and improving staff salaries.

Today, Senator JEFFORDS, Senator DODD, Senator ROBERTS, and I are submitting a bipartisan Senate resolution to designate the last Friday in April every year as National Child Care Professional's Day, starting next April—April 24, 1998.

Child Care professionals are indispensable to the future of the Nation's children. Children deserve the best we can provide. Parents deserve the peace of mind that comes with knowledge that their children are in safe, healthy surroundings that encourage, not undermine their development.

Quality child care is essential for healthy child growth and healthy child development. By honoring child care providers and the child care profession in this way, Congress will be taking a significant step toward giving them the stronger support and the greater encouragement and the higher priority they deserve.

AMENDMENTS SUBMITTED

THE INTERMODAL TRANSPORTATION ACT OF 1997

HUTCHINSON AMENDMENT NO. 1398

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill (S. 1173) to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes; as follows:

Beginning on page 91, strike line 21 and all that follows through page 103, line 10, and insert the following:

SEC. 1116. INTERNATIONAL TRADE CORRIDOR AND BORDER CROSSING PLANNING AND DEVELOPMENT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) BORDER STATE.—The term ''border State'' means a State of the United States that—

(A) is located along the border with Mexico; or

(B) is located along the border with Canada.

(2) BORDER STATION.—The term ''border station'' means a controlled port of entry into the United States located in the United States at the border with Mexico or Canada, consisting of land occupied by the station and the buildings, roadways, and parking lots on the land.

(3) FEDERAL INSPECTION AGENCY.—The term ''Federal inspection agency'' means a Federal agency responsible for the enforcement of immigration laws (including regulations), customs laws (including regulations), and agriculture import restrictions, including the United States Customs Service, the Immigration and Naturalization Service, the Animal and Plant Health Inspection Service, the Food and Drug Administration, the United States Fish and Wildlife Service, and the Department of State.

(4) GATEWAY.—The term ''gateway'' means a grouping of border stations defined by proximity and similarity of trade.

(5) INTERNATIONAL TRADE CORRIDOR.—

(A) IN GENERAL.—The term ''international trade corridor'' means a north-south corridor identified by the Secretary that—

(i) is of international trade significance and provides national economic benefits;

(ii) connects Mexico, the United States, and Canada;

(iii) provides intermodal connections;

(iv) accounts for a high percentage of truck-borne commodities moving interstate and internationally;

(v) directly benefits impoverished areas; and

(vi) connects military installations.

(B) DISCRETION.—To maintain flexibility and permit a targeted national approach, the Secretary may exercise discretion in the application of the criteria under subparagraph (A).

(6) NON-FEDERAL GOVERNMENTAL JURISDICTION.—The term ''non-Federal governmental jurisdiction'' means a regional, State, or local authority involved in the planning, development, provision, or funding of transportation infrastructure needs.

(b) BORDER CROSSING GRANTS.—

(1) IN GENERAL.—The Secretary shall make grants to States and to metropolitan planning organizations designated under section 134 of title 23, United States Code.

(2) USE OF GRANTS.—The grants shall be used to pay the costs of feasibility studies, planning, location and routing studies, preliminary engineering and design, environmental reviews, final engineering, acquisition of rights-of-way, and construction as a supplement to funding made available under other provisions of this Act and under title 23, United States Code.

(3) CONDITION OF GRANTS.—As a condition of receiving a grant under paragraph (1), a State transportation department or a metropolitan planning organization shall certify to the Secretary that it commits to be engaged in joint planning with its counterpart agency in Mexico or Canada.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $1,400,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(c) INTERNATIONAL TRADE CORRIDOR GRANTS.—

(1) GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States to encourage cooperative multistate corridor analysis of, and planning for, the safe and efficient movement of goods along and within international trade corridors or interstate trade corridors of national importance and to pay the costs of feasibility studies, planning, location and routing studies, preliminary engineering and design, environmental reviews, final engineering, acquisition of rights-of-way, and construction.

(B) IDENTIFICATION OF CORRIDORS.—Each corridor referred to in subparagraph (A) shall be cooperatively identified by the States along the corridor.

(2) CORRIDOR PLANS.—

(A) IN GENERAL.—As a condition of receiving a grant under paragraph (1), a State shall enter into an agreement with the Secretary that specifies that, in cooperation with the other States along the corridor, the State will submit a plan for corridor improvements to the Secretary not later than 2 years after receipt of the grant.

(B) COORDINATION OF PLANNING.—Planning with respect to a corridor under this subsection shall be coordinated with transportation planning being carried out by the States and metropolitan planning organizations along the corridor and, to the extent appropriate, with transportation planning being carried out by Federal land management agencies, by tribal governments, or by government agencies in Mexico or Canada.

(3) MULTISTATE AGREEMENTS FOR TRADE CORRIDOR PLANNING.—The consent of Congress is granted to any 2 or more States—

(A) to enter into multistate agreements, not in conflict with any law of the United

States, for cooperative efforts and mutual assistance in support of interstate trade corridor planning activities; and

(B) to establish such agencies, joint or otherwise, as the States may determine desirable to make the agreements effective.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $3,000,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(d) FEDERAL ASSISTANCE FOR TRADE CORRIDORS AND BORDER INFRASTRUCTURE SAFETY AND CONGESTION RELIEF.—

(1) APPLICATIONS FOR GRANTS.—The Secretary shall make grants to States or metropolitan planning organizations that submit an application that—

(A) demonstrates need for assistance in carrying out transportation projects that are necessary to relieve traffic congestion or improve enforcement of motor carrier safety laws; and

(B) includes strategies to involve both the public and private sectors in the proposed project.

(2) SELECTION OF STATES, METROPOLITAN PLANNING ORGANIZATIONS, AND PROJECTS TO RECEIVE GRANTS.—In selecting States, metropolitan planning organizations, and projects to receive grants under this subsection, the Secretary shall consider—

(A) the annual volume of commercial vehicle traffic at the border stations or ports of entry of each State as compared to the annual volume of commercial vehicle traffic at the border stations or ports of entry of all States;

(B) the extent to which commercial vehicle traffic in each State has grown since the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182) as compared to the extent to which that traffic has grown in each other State;

(C) the extent of border transportation improvements carried out by each State since the date of enactment of that Act;

(D) the reduction in commercial and other travel time through a major international gateway expected as a result of the project;

(E) the extent of leveraging of Federal funds provided under this subsection, including—

(i) use of innovative financing;

(ii) combination with funding provided under other sections of this Act and title 23, United States Code; and

(iii) combination with other sources of Federal, State, local, or private funding;

(F) improvements in vehicle and highway safety and cargo security in and through the gateway concerned;

(G) the degree of demonstrated coordination with Federal inspection agencies;

(H) the extent to which the innovative and problem solving techniques of the proposed project would be applicable to other border stations or ports of entry;

(I) demonstrated local commitment to implement and sustain continuing comprehensive border planning processes and improvement programs; and

(J) other factors to promote transport efficiency and safety, as determined by the Secretary.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A grant under this subsection shall be used to develop project plans, and implement coordinated and comprehensive programs of projects, to improve efficiency and safety.

(B) TYPE OF PLANS AND PROGRAMS.—The plans and programs may include—

(i) improvements to transport and supporting infrastructure;

(ii) improvements in operational strategies, including electronic data interchange and use of telecommunications to expedite vehicle and cargo movement;

(iii) modifications to regulatory procedures to expedite vehicle and cargo flow;

(iv) new infrastructure construction;

(v) purchase, installation, and maintenance of weigh-in-motion devices and associated electronic equipment in Mexico or Canada if real time data from the devices is provided to the nearest border station and to State commercial vehicle enforcement facilities that serve the border station; and

(vi) other institutional improvements, such as coordination of binational planning, programming, and border operation, with special emphasis on coordination with—

(I) Federal inspection agencies; and

(II) their counterpart agencies in Mexico and Canada.

(4) CONSTRUCTION OF TRANSPORTATION INFRASTRUCTURE FOR LAW ENFORCEMENT PURPOSES.—At the request of the Administrator of General Services, in consultation with the Attorney General, the Secretary may transfer, during the period of fiscal years 1998 through 2001, not more than $10,000,000 of the amounts made available under paragraph (5) to the Administrator of General Services for the construction of transportation infrastructure necessary for law enforcement in border States.

(e) COORDINATION OF PLANNING.—

(1) PLANNING AND DEVELOPMENT OF BORDER STATIONS.—The General Services Administration shall be the coordinating Federal agency in the planning and development of new or expanded border stations.

(2) COOPERATIVE ACTIVITIES.—In carrying out paragraph (1), the Administrator of General Services shall cooperate with Federal inspection agencies and non-Federal governmental jurisdictions to ensure that—

(A) improvements to border station facilities take into account regional and local conditions, including the alignment of highway systems and connecting roadways; and

(B) all facility requirements, associated costs, and economic impacts are identified.

(f) COST SHARING.—A grant under this section shall be used to pay the Federal share of the cost of a project. The Federal share shall not exceed 80 percent.

(g) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this section but not allocated exceeds $4,000,000 as of September 30 of any year, the excess amount—

(1) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

(2) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

(3) shall be available for any purpose eligible for funding under section 133 of that title.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsections (b), (c), and (d) $125,000,000 for each of fiscal years 1998 through 2003.

SANTORUM AMENDMENT NO. 1399

(Ordered to lie on the table.)

Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill, S. 1173, supra; as follows:

At the end add the following:

SEC. ___. GRANT-BACKED TRANSPORTATION FINANCE.

(a) SHORT TITLE.—This section may be cited as the ''Grant-Backed Transportation Finance Act of 1997''.

(b) FINDINGS.—Congress finds the following:

(1) The economic vitality of the Nation and the quality of life of its citizens depend on increased investment in transportation infrastructure for the movement of people and goods, including highways, roads, and bridges and transit and airport equipment and facilities.

(2) Improving mobility will increase productivity and competitiveness, strengthen the Nation's capacity for noninflationary economic growth, and contribute to environmental quality.

(3) The Nation's need to build, maintain, and reconstruct transportation facilities, and to provide additional transportation infrastructure investment in both rural and urban areas, exceeds available resources under traditional funding programs.

(4) User fees can finance transportation facilities efficiently and equitably over the useful lives of these capital assets.

(5) Recent Federal initiatives are helping States innovatively finance capital investment in transportation facilities.

(6) Grant-backed financing is an innovative way to finance transportation infrastructure that uses future Federal transportation payments to pay debt service or to credit enhance State transportation financings, prudently leveraging limited Federal, State, local, and public-private partnership resources to meet critical transportation investment needs.

(7) Bonds with grant-backed financing could be issued or credit enhanced by a limited-purpose State entity and secured with the State's assignment of its formula grant payments from the Highway or Mass Transit Accounts of the Highway Trust Fund or the Airport and Airway Trust Fund to the limited-purpose entity which shall first apply such funds to pay principal and interest on grant financed bonds issued by the limited-purpose entity, or to fund credit enhancements for bonds secured with other State, local, or public-private revenues, and, then, transfer the remaining funds to the State.

(8) Grant-backed financing enables State and local governments and their transportation agencies, authorities, and infrastructure banks to benefit immediately from the State's future authorized Federal transportation grants.

(9) With grant-backed financing State and local governments could—

(A) start and complete transportation infrastructure projects years sooner than using traditional programs, putting new and rehabilitated transportation facilities in use more quickly;

(B) avoid project inflation costs;

(C) reduce the interest and credit enhancement costs of borrowing; and

(D) accelerate project-generated economic activity.

(c) STATE ELECTION TO PROVIDE GRANT-BACKED TRANSPORTATION FINANCING.—

(1) IN GENERAL.—If a State makes an election described in paragraph (2) with respect to any portion of the amounts payable to the State from the Highway or Mass Transit Accounts of the Highway Trust Fund or the Airport and Airway Trust Fund as authorized by title 23 or 49, United States Code, the Secretary of the Treasury shall deposit such

portion in a designated account in the name of the limited-purpose entity designated in such election for the fiscal year with respect to which such election is made and for each succeeding fiscal year until such limited-purpose entity's bonds, together with the interest thereon, or credit enhancements provided by such limited-purpose entity on other State, local, or public-private bonds have been fully met and discharged.

(2) ELECTION DESCRIBED.—

(A) IN GENERAL.—An election described in this paragraph is an irrevocable election made by a State (in such form and manner as determined by the Secretary of the Treasury) by which the State, in its sole discretion and at its sole liability, designates a portion of amounts described in paragraph (1) for deposit in a designated account to be used by a limited-purpose entity described in subparagraph (B) only for purposes described in subparagraph (C).

(B) LIMITED-PURPOSE ENTITY DESCRIBED.—A limited-purpose entity described in this subparagraph is an entity designated in the election and enabled by the State only—

(i) to receive funds from the Highway or Mass Transit Accounts of the Highway Trust Fund or the Airport and Airway Trust Fund;

(ii) to issue up to a specified amount of bonds secured by those funds or to fund up to a specified amount of credit enhancements for bonds secured with other State, local, or public-private revenues, or both; and

(iii) to enter into agreements with the State governing the disbursement of the proceeds of bonds issued by such limited-purpose entity.

(C) PURPOSES DESCRIBED.—Purposes described in this subparagraph for funds received under an election under this subsection are—

(i) to pay any principal and interest due on prior outstanding bonds secured in whole or in part with Federal formula grant payments;

(ii) to pay any principal and interest due on such bonds issued by the limited-purpose entity, and to fund any reserves or other credit enhancements established in connection with limited-purpose entity bonds or other State, local, or public-private bonds; and

(iii) thereafter to be used by such State as it determines.

(d) NO FEDERAL GUARANTEE OF BONDS.—Bond issues supported in whole or in part by Federal payments subject to an election described in subsection (c)(2) shall not be considered subject to either a direct or indirect Federal guarantee for the purposes of section 149(b) of the Internal Revenue Code of 1986. Nor shall the exercise of State discretion irrevocably designating a specific State account in the name of a limited-purpose entity for receipt of Federal transportation payments under an election described in subsection (c)(2) be considered either a direct or indirect Federal guarantee for the purposes of such section 149(b).

(e) NO FEDERAL REMEDY FOR BONDHOLDERS.—No bondholder of a bond described in subsection (d) shall have any right or remedy against the Federal Government. Neither a State pledge, the pledge of a State entity, nor the exercise of State discretion irrevocably designating a specific State account in the name of a limited-purpose entity for receipt of Federal transportation payments shall shift liability for any grant, bond principal, interest, premium, or other payment to the Federal Government.

(f) RESEARCH AND IMPLEMENTATION.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall—

(A) complete an analysis and make a report of such analysis to Congress and the States of the availability and potential impact of grant-backed financing based on revenue dedicated to the Mass Transit Account of the Highway Trust Fund and the Airport and Airway Trust Fund; and

(B) select at least 6 State, local, or public-private partnership highway, road, bridge, transit, or airport bond financings, including at least 1 financing by a State infrastructure bank established under section 350 of the National Highway System Designation Act of 1995 (Public Law 104–59), to receive technical assistance and to encourage elections under subsection (c) with respect to such financings.

(2) REPORTS.—The Secretary of Transportation shall provide a biennial report on the use of grant-backed financing to the Committee on Transportation and Infrastructure in the House of Representatives and the Committee on Environment and Public Works in the Senate. Such report shall describe the pilot projects selected under paragraph (1)(B), the elections made under subsection (c), and specify any actions Congress or the Secretary of Transportation can take to facilitate the use of grant-backed financing.

BOND AMENDMENTS NOS. 1400–1401

(Ordered to lie on the table.)

Mr. BOND submitted two amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1400

At the appropriate place in subtitle D of title I, insert the following:

SEC. 14___. SENSE OF SENATE CONCERNING LONGER COMBINATION VEHICLES.

(a) FINDINGS.—Congress finds that—

(1) section 127(d) of title 23, United States Code, contains a prohibition that took effect on June 1, 1991, concerning the operation of certain longer combination vehicles, including certain double-trailer and triple-trailer trucks;

(2) reports on the results of recent studies conducted by the Federal Government describe, with respect to longer combination vehicles—

(A) problems with the adequacy of rearward amplification braking;

(C) the difficulty in making lane changes; and

(D) speed differentials that occur while climbing or accelerating; and

(3) surveys of individuals in the United States demonstrate that an overwhelming majority of residents of the United States oppose the expanded use of longer combination vehicles.

(b) LONGER COMBINATION VEHICLE DEFINED.—In this section, the term ''longer combination vehicle'' has the meaning given that term in section 127(d)(4) of title 23, United States Code.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the prohibitions and restrictions under section 127(d) of title 23, United States Code, as in effect on the date of enactment of this Act, should not be amended so as to result in any less restrictive prohibition or restriction.

AMENDMENT NO. 1401

On page 95, strike lines 9 through 14 and insert the following:

along and within international or interstate trade corridors of national importance (including the international trade corridor designated under subparagraph (C)).

(B) IDENTIFICATION OF CORRIDORS.—Subject to subparagraph (C), each corridor referred to in subparagraph (A) shall be cooperatively identified by the States along the corridor.

(C) DESIGNATION OF CORRIDOR.—For purposes of subparagraph (A), the Interstate Route 35 Corridor from Laredo, Texas, through Oklahoma City, Oklahoma, to Wichita, Kansas, to Kansas City, Kansas/Missouri, to Des Moines, Iowa, to Minneapolis, Minnesota, to Duluth, Minnesota is designated as an international trade corridor of national importance.

BOND (AND BREAUX) AMENDMENT NO. 1402

(Ordered to lie on the table.)

Mr. BOND (for himself and Mr. BREAUX) submitted an amendment intended to be proposed by them to the bill, S. 1173, surpa; as follows:

Beginning on page 181, strike line 20 and all that follows through page 183, line 23, and insert the following:

processes. With respect to participation in a natural habitat or wetland mitigation effort related to a project funded under this title that has an impact that occurs within the service area of a mitigation bank, preference shall be given, to the maximum extent practicable, to the use of the mitigation bank if the bank contains sufficient available credits to offset the impact and the bank is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605 (November 28, 1995)) or other applicable Federal law (including regulations).

''(N) Publicly-owned intracity or intercity passenger rail or bus terminals, including terminals of the National Railroad Passenger Corporation and publicly-owned intermodal surface freight transfer facilities, other than seaports and airports, if the terminals and facilities are located on or adjacent to National Highway System routes or connections to the National Highway System selected in accordance with paragraph (2).

''(O) Infrastructure-based intelligent transportation systems capital improvements.

''(P) In the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, any project eligible for funding under section 133, any airport, and any seaport.

''(Q) Publicly owned components of magnetic levitation transportation systems.''.

SEC. 1235. ELIGIBILITY OF PROJECTS UNDER THE SURFACE TRANSPORTATION PROGRAM.

Section 133(b) of title 23, United States Code, (as amended by section 1232(c)), is amended—

(1) in paragraph (2), by striking ''and publicly owned intracity or intercity bus terminals and facilities'' and inserting '', including vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus or rail'';

(2) in paragraph (3)—

(A) by striking ''and bicycle'' and inserting ''bicycle''; and

(B) by inserting before the period at the end the following: '', and the modification of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)'';

(3) in paragraph (4)—

(A) by inserting '', publicly owned passenger rail,'' after ''Highway'';

(B) by inserting ''infrastructure'' after ''safety''; and

(C) by inserting before the period at the end the following: '', and any other noninfrastruture highway safety improvements'';

(4) in paragraph (11)—

(A) in the first sentence—

(i) by inserting ''natural habitat and'' after ''participation in'' each place it appears;

(ii) by striking ''enhance and create'' and inserting ''enhance, and create natural habitats and''; and

(iii) by inserting ''natural habitat and'' before ''wetlands conservation''; and

(B) by adding at the end the following: ''With respect to participation in a natural habitat or wetland mitigation effort related to a project funded under this title that has and impact that occurs within the service area of a mitigation bank, preference shall be given, to the maximum extent practicable, to the use of the mitigation bank if the bank contains sufficient available credits to offset the impact and the bank is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605 (November 28, 1995)) or other applicable Federal law (including regulations).''; and

JEFFORDS AMENDMENTS NOS. 1403–1410

(Ordered to lie on the table.)

Mr. JEFFORDS submitted eight amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1403

On page 247, strike line 3 and insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131(d) of title 23, United States Code, is amended—

(1) by striking ''(d) In'' and inserting the following:

''(d) INDUSTRIAL AND COMMERCIAL AREAS.—

''(1) IN GENERAL.—In''; and

(2) by adding at the end the following:

''(2) LIMITATION ON NEW SIGNS.—

''(A) IN GENERAL.—Subject to this paragraph, no new sign, display, or device may be erected under paragraph (1) after the date of enactment of this paragraph.

''(B) EXCEPTION.—

''(i) IN GENERAL.—Subject to clause (ii), a State may permit a person, at the person's option, to erect in the State a sign, display, or device in accordance with the requirements of paragraph (1) upon removal without payment of just compensation under subsection (g) of a sign, display, or device lawfully erected under this subsection.

''(ii) STATEWIDE LIMITATION.—The total number of signs, displays, and devices erected and maintained under this subsection in a State shall not exceed the total number of signs, displays, and devices lawfully erected before the date of enactment of this paragraph under this subsection in the State and in existence on that date.''.

Subtitle F—Planning

AMENDMENT NO. 1404

On page 247, between lines 2 and 3, insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131(d) of title 23, United States Code, is amended in the first sentence by striking '', or in unzoned'' and all that follows through ''Secretary''.

AMENDMENT NO. 1405

On page 247, between lines 2 and 3, insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131 of title 23, United States Code, is amended—

(1) by redesignating subsection (t) as subsection (u); and

(2) by inserting after subsection (s) the following:

''(t) LIMITATION ON VEGETATION REMOVAL.—For the purpose of subsection (b), a State shall not be considered to have made provision for effective control of the erection and maintenance of outdoor advertising signs, displays, and devices if the State carries out or permits the removal of vegetation in, or other alteration of, a right-of-way referred to in subsection (b) for the purpose of improving the visibility of any outdoor advertising sign, display, or device located outside the right-of-way.''.

AMENDMENT NO. 1406

On page 247, between lines 2 and 3, insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131 of title 23, United States Code, is amended—

(1) in subsection (d)—

(A) by striking ''(d) In'' and inserting the following:

''(d) INDUSTRIAL AND COMMERCIAL AREAS.—

''(1) IN GENERAL.—In''; and

(B) by adding at the end the following:

''(2) APPLICABILITY OF JUST COMPENSATION REQUIREMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), just compensation under subsection (g) shall not be paid on the removal of any sign, display, or device lawfully erected under State law after the date of enactment of this paragraph.

''(B) EXCEPTION.—A State may permit a person, at the person's option, to erect in the State a sign, display, or device in accordance with the requirements of paragraph (1) on removal without payment of just compensation under subsection (g) of a sign, display, or device lawfully erected under this subsection.'';

(2) in the first sentence of subsection (g), by striking ''and not permitted under subsection (c) of this section, whether or not removed pursuant to or because of this section'' and inserting ''and removed under this section''; and

(3) in subsection (k), by striking ''Subject to compliance with subsection (g) of this section for the payment of just compensation, nothing'' and inserting ''Nothing''.

AMENDMENT NO. 1407

On page 247, between lines 2 and 3, insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131 of title 23, United States Code, is amended—

(1) by redesignating subsection (t) as subsection (u); and

(2) by inserting after subsection (s) the following:

''(t) STATE INVENTORY OF OUTDOOR ADVERTISING SIGNS, DISPLAYS, AND DEVICES.—

''(1) REQUIREMENT.—For the purpose of subsection (b), a State shall not be considered to have made provision for effective control of the erection and maintenance of outdoor advertising signs, displays, and devices unless the State maintains, and annually submits to the Secretary, an inventory of all outdoor advertising signs, displays, and devices in the State for which the effective control is required under this section, including a specification of whether each sign, display, or device is illegal, non-conforming, or conforming under State law.

''(2) STATE SCENIC BYWAYS.—The State inventory required by paragraph (1) shall identify each sign, display, or device described in paragraph (1) that is located along a highway on the Interstate System or Federal-aid primary system designated as a scenic byway under a program of the State described in subsection (s).

''(3) USE OF STATE INVENTORIES.—The Secretary shall use the State inventories submitted under this subsection to carry out this section.''.

AMENDMENT NO. 1408

On page 247, between lines 2 and 3, insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131 of title 23, United States Code, is amended—

(1) in subsection (d)—

(A) by striking ''(d) In'' and inserting the following:

''(d) INDUSTRIAL AND COMMERCIAL AREAS.—

''(1) IN GENERAL.—In'';

(B) in the first sentence of paragraph (1) (as so designated), by striking '', or in unzoned'' and all that follows through ''Secretary''; and

(C) by adding at the end the following:

''(2) LIMITATION ON NEW SIGNS.—

''(A) IN GENERAL.—Subject to this paragraph, no new sign, display, or device may be erected under paragraph (1) after the date of enactment of this paragraph.

''(B) APPLICABILITY OF JUST COMPENSATION REQUIREMENTS.—Except as provided in subparagraph (C), just compensation under subsection (g) shall not be paid upon the removal of any sign, display, or device lawfully erected under State law after the date of enactment of this paragraph.

''(C) EXCEPTION.—

''(i) IN GENERAL.—Subject to clause (ii), a State may permit a person, at the person's option, to erect in the State a sign, display, or device in accordance with the requirements of paragraph (1) upon removal without payment of just compensation under subsection (g) of a sign, display, or device lawfully erected under this subsection.

''(ii) STATEWIDE LIMITATION.—The total number of signs, displays, and devices erected and maintained under this subsection in a State shall not exceed the total number of signs, displays, and devices lawfully erected before the date of enactment of this paragraph under this subsection in the State and in existence on that date.'';

(2) in the first sentence of subsection (g), by striking ''and not permitted under subsection (c) of this section, whether or not removed pursuant to or because of this section'' and inserting ''and removed under this section'';

(3) in subsection (k), by striking ''Subject to compliance with subsection (g) of this section for the payment of just compensation, nothing'' and inserting ''Nothing'';

(4) by redesignating subsection (t) as subsection (v); and

(5) by inserting after subsection (s) the following:

''(t) STATE INVENTORY OF OUTDOOR ADVERTISING SIGNS, DISPLAYS, AND DEVICES.—

''(1) REQUIREMENT.—For the purpose of subsection (b), a State shall not be considered to have made provision for effective control of the erection and maintenance of outdoor advertising signs, displays, and devices unless the State maintains, and annually submits to the Secretary, an inventory of all outdoor advertising signs, displays, and devices in the State for which the effective control is required under this section, including a specification of whether each sign, display, or device is illegal, or nonconforming, or conforming under State law.

''(2) STATE SCENIC BYWAYS.—The State inventory required by paragraph (1) shall identify each sign, display, or device described in paragraph (1) that is located along a highway on the Interstate System or Federal-aid primary system designated as a scenic byway under a program of the State described in subsection (s).

''(3) USE OF STATE INVENTORIES.—The Secretary shall use the State inventories submitted under this subsection to ensure compliance with subsection (d)(2)(C)(ii) and to carry out this section.

''(u) LIMITATION ON VEGETATION REMOVAL.—For the purpose of subsection (b), a State shall not be considered to have made provision for effective control of the erection and maintenance of outdoor advertising signs, displays, and devices if the State carries out or permits the removal of vegetation in, or other alteration of, a right-of-way referred to in subsection (b) for the purpose of improving the visibility of any outdoor advertising sign, display, or device located outside the right-of-way.''.

AMENDMENT NO. 1409

On page 247, between lines 2 and 3, insert the following:

SEC. 1504. CONTROL OF OUTDOOR ADVERTISING.

Section 131 of title 23, United States Code, is amended—

(1) in subsection (d)—

(A) by striking ''(d) In'' and inserting the following:

''(d) INDUSTRIAL AND COMMERCIAL AREAS.—

''(1) IN GENERAL.—In''; and

(B) by adding at the end the following:

''(2) APPLICABILITY OF JUST COMPENSATION REQUIREMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), just compensation under subsection (g) shall not be paid on the removal of any sign, display, or device lawfully erected under State law after the date of enactment of this paragraph.

''(B) EXCEPTION.—A State may permit a person, at the person's option, to erect in the State a sign, display, or device in accordance with the requirements of paragraph (1) on removal without payment of just compensation under subsection (g) of a sign, display, or device lawfully erected under this subsection.'';

(2) in the first sentence of subsection (g), by striking ''and not permitted under subsection (c) of this section, whether or not removed pursuant to or because of this section'' and inserting ''and removed under this section'';

(3) in subsection (k), by striking ''Subject to compliance with subsection (g) of this section for the payment of just compensation, nothing'' and inserting ''Nothing''

(4) by redesignating subsection (t) as subsection (v); and

(5) by inserting after subsection (s) the following:

''(t) STATE INVENTORY OF OUTDOOR ADVERTISING SIGNS, DISPLAYS, AND DEVICES.—

''(1) REQUIREMENT.—For the purpose of subsection (b), a State shall not be considered to have made provision for effective control of the erection and maintenance of outdoor advertising signs, displays, and devices unless the State maintains, and annually submits to the Secretary, an inventory of all outdoor advertising signs, displays, and devices in the State for which the effective control is required under this section, including a specification of whether each sign, display, or device is illegal, nonconforming, or conforming under State law.

''(2) STATE SCENIC BYWAYS.—The State inventory required by paragraph (1) shall identify each sign, display, or device described in paragraph (1) that is located along a highway on the Interstate System or Federal-aid primary system designated as a scenic byway under a program of the State described in subsection (s).

''(3) USE OF STATE INVENTORIES.—The Secretary shall use the State inventories submitted under this subsection to carry out this section.

''(u) LIMITATION ON VEGETATION REMOVAL.—For the purpose of subsection (b), a State shall not be considered to have made provision for effective control of the erection and maintenance of outdoor advertising signs, displays, and devices if the State carries out or permits the removal of vegetation in, or other alteration of, a right-of-way referred to in subsection (b) for the purpose of improving the visibility of any outdoor advertising sign, display, or device located outside the right-of-way.''.

AMENDMENT NO. 1410

On page 414, strike line 22 and insert the following:

U.S.C. 307 note; 105 Stat. 2189).

SEC. 2105. RAIL AND PORT ACCESS MODERNIZATION.

(a) FINDINGS.—Congress finds that—

(1) the growth of commerce in northern New England is hampered by a decaying rail infrastructure;

(2) during the 5-year period beginning on the date of enactment of this Act, international trade shipping is projected to increase by more than 20 percent;

(3) in the shipping industry, there is a widespread international trend for shippers to use only ports with double-stack rail access;

(4) aging rail lines and constricted passage in older industrial States are—

(A) limiting the movement of cargo and individuals throughout that area; and

(B) restricting access to deepwater ports; and

(5) improving rail lines and double-stack freight rail passage to allow rail connections to and through other States and provinces will enable the economy of the older industrial region to grow and prosper by bringing new industry into the region that will result in growth in high wage jobs.

(b) DEFINITIONS.—In this section:

(1) FUND.—The term ''Fund'' means the Older Industrial Rail Modernization and Port Access Fund established by subsection (c)(7).

(2) OLDER INDUSTRIAL REGION.—The term ''older industrial region'' means the northeastern area of the United States.

(3) OLDER INDUSTRIAL STATE.—The term ''older industrial State'' means—

(A) Vermont;

(B) Maine; and

(C) New Hampshire.

(4) RAIL PROJECT.—The term ''rail project'' means a project for the acquisition, rehabilitation, or improvement of railroad facilities or equipment, as described in section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831).

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(c) DIRECT FEDERAL ASSISTANCE.—

(1) IN GENERAL.—

(A) GRANTS.—Subject to the availability of appropriations, the Secretary shall make a grant under this subsection to each older industrial State that submits an application to the Secretary that demonstrates, to the satisfaction of the Secretary, a need for assistance under this subsection in carrying out 1 or more transportation projects described in paragraph (2), (3), (4), or (5) that are necessary to improve rail transport in that State.

(B) GRANT AGREEMENT.—The Secretary shall enter into a grant agreement with each older industrial State that receives a grant under this subsection. At a minimum, the agreement shall specify that the grant recipient will meet the applicable requirements of this section, including the cost-sharing requirement under paragraph (6)(B).

(2) GRANTS FOR PORT ACCESS.—The Secretary shall make grants under this subsection for the purposes of connecting all railroads to ports and ensuring that double-stack rail cars can travel freely throughout older industrial States.

(3) GRANTS FOR BRIDGE AND TUNNEL OBSTRUCTION REPAIR AND REPLACEMENT.—The Secretary shall make grants under this subsection for the purpose of enlarging tunnels and embankments, removing, repairing, or replacing bridges or other obstructions that inhibit the free movement of freight or passenger rail cars and the use of double-stack rail cars.

(4) GRANTS FOR REPAIR OF RAILROAD BEDS.—The Secretary shall make grants under this subsection for the purposes of repairing, upgrading, and purchasing railbeds and tracks, including improving safety of all railroad tracks.

(5) GRANTS FOR DEVELOPMENT OF INTERMODAL FACILITIES.—The Secretary shall make grants under this subsection for the purposes of constructing, operating, and maintaining train maintenance facilities and facilities for the transfer of goods and individuals between other transportation modes, including—

(A) intermodal truck-train transfer facilities;

(B) passenger rail stations; and

(C) bulk fuel transfer facilities.

(6) FUNDING LIMITATIONS ON EXPENDITURES OF FUNDS.—

(A) FUNDING.—The grants made under this subsection shall be made with funds transferred from the Fund.

(B) COST-SHARING.—

(i) IN GENERAL.—A grant made under this subsection shall be used to pay the Federal share of the cost of a project conducted under a grant agreement.

(ii) FEDERAL SHARE.—The Federal share of the cost of a project referred to in clause (i) shall be 80 percent of the cost of the project.

(C) ALLOCATION AMONG STATES.—

(i) IN GENERAL.—For each of fiscal years 1998 through 2001, the Secretary shall, in making grants under this subsection, allocate available amounts in the Fund among older industrial States in accordance with a formula established by the Secretary in accordance with clause (ii).

(ii) ALLOCATION FORMULA.—In making grants under this subsection, for each of the fiscal years specified in clause (i), the Secretary shall allocate an equal amount of the amounts available from the Fund to each of the older industrial States that submits 1 or more grant applications that meet the requirements of this subsection.

(7) OLDER INDUSTRIAL RAIL MODERNIZATION AND PORT ACCESS FUND.—

(A) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund, to be known as the ''Older Industrial Rail Modernization and Port Access Fund''. The Fund shall consist of—

(i) such amounts as are appropriated to the Fund; and

(ii) any interest earned on investment of amounts in the Fund under subparagraph (B).

(B) INVESTMENT OF FUND.—

(i) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet then current withdrawals. Those investments may be made only in interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States. For that purpose, those obligations may be acquired—

(I) on original issue at the issue price, or

(II) by purchase of outstanding obligations at the market price.

(ii) SALE OF OBLIGATION.—Any obligation acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold by the Secretary of the Treasury at the market price. The special obligations may be redeemed at par plus accrued interest.

(iii) CREDITS TO FUND.—The interest on, and the proceeds from, the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(C) TRANSFERS FROM FUND.—The Secretary of the Treasury shall, on the request of the Secretary of Transportation, transfer from the Fund to the Secretary of Transportation, any amounts that the Secretary of Transportation determines to be necessary to carry out the grant program under this subsection.

(D) ADMINISTRATIVE EXPENSES.—Not more than 1 percent of the amounts in the Fund may be used by the Secretary of Transportation to cover administrative expenses for carrying out the grant program under this subsection.

(8) APPLICABILITY OF TITLE 23.—Except as otherwise provided in this subsection, funds made available to an older industrial State under this subsection shall be available for obligation in the manner provided for funds apportioned under chapter 1 of title 23, United States Code.

(9) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There are authorized to be appropriated to the Fund to carry out this subsection $65,000,000 for each of fiscal years 1998 through 2001.

(B) AVAILABILITY OF FUNDS.—The amounts appropriated pursuant to this paragraph shall remain available for obligation until the end of the third fiscal year following the fiscal year for which the amounts are appropriated.

(d) RAILROAD LOAN AND ASSISTANCE PROGRAM.—

(1) PURPOSE.—The purpose of this subsection is to provide assistance for rail projects in older industrial States.

(2) ISSUANCE OF OBLIGATIONS.—The Secretary shall issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 832), in such amounts, and at such times, as may be necessary, during the period that the guaranteed obligation is outstanding, to—

(A) pay any amounts required pursuant to the guarantee of the principal amount of an obligation under section 511 of that Act (45 U.S.C. 831) for any eligible rail project described in paragraph (3); and

(B) meet the applicable requirements of this subsection and sections 511 and 513 of that Act (45 U.S.C. 832 and 833).

(3) ELIGIBILITY.—A rail project that is eligible for assistance under this subsection is a rail project—

(A) for a railroad that is located in an older industrial State; and

(B) that promotes the mobility of goods and individuals.

(4) LIMITATION.—Notwithstanding any other provision of law, the aggregate unpaid principal amounts of obligations that may be guaranteed by the Secretary under this subsection may not exceed $50,000,000 during any of fiscal years 1998 through 2001.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Transportation, to be used by the Secretary to make guarantees under this subsection, $5,000,000 for each of fiscal years 1998 through 2001.

(e) REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to Congress and the Governor of each older industrial State a report concerning the rehabilitation of the rail infrastructure of older industrial States.

GRAHAM AMENDMENT NO. 1411

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill, S. 1173, supra; as follows:

On page 30, line 1, strike ''and''.

On page 30, line 13, strike the period at the end and insert ''; and''.

On page 30, between lines 13 and 14, insert the following:

''(C) for each of fiscal years 1998 through 2003, a State's total apportionments described in subclauses (I) and (II) of subparagraph (A)(i) for the fiscal year is not less than 90 percent of the estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than Mass Transit Account) in the latest fiscal year in which data is available.''.

On page 5, line 8, insert ''(a) IN GENERAL.—'' before ''For''.

On page 7, between lines 20 and 21, insert the following:

(b) REDUCTION OF SUMS.—Notwithstanding subsection (a), the sums made available under subsection (a) shall be reduced on a pro rata basis by the amount necessary to offset the budgetary impact resulting from adoption of this amendment.

On page 5, line 8, insert ''(a) IN GENERAL.—'' before ''For''.

On page 7, between lines 20 and 21, insert the following:

(b) EFFECT OF INCREASED AVAILABLE AMOUNTS.—The increased funding levels provided by this amendment shall not take effect unless the amounts made available under subsection (a) are increased above the levels of those amounts in the modified Committee amendment filed in the Senate on October 8, 1997.

LAUTENBERG (AND DEWINE) AMENDMENT NO. 1412

(Ordered to lie on the table.)

Mr. LAUTENBERG (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by them to the bill, S. 1173, supra; as follows:

At the end of subtitle D of title I, add the following:

SEC. 14___. NATIONAL STANDARD TO PROHIBIT OPERATION OF MOTOR VEHICLES BY INTOXICATED INDIVIDUALS.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by inserting after section 153 the following:

''§ 154. National standard to prohibit operation of motor vehicles by intoxicated individuals

''(a) WITHHOLDING OF APPORTIONMENTS FOR NONCOMPLIANCE.—

''(1) FISCAL YEAR 2001.—The Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of paragraphs (1)(A), (1)(C), and (3) of section 104(b) on October 1, 2000, if the State does not meet the requirements of paragraph (3) on that date.

''(2) SUBSEQUENT FISCAL YEARS.—The Secretary shall withhold 10 percent (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1)(A), (1)(C), and (3) of section 104(b) on October 1, 2001, and on October 1 of each fiscal year thereafter, if the State does not meet the requirements of paragraph (3) on that date.

''(3) REQUIREMENTS.—A State meets the requirements of this paragraph if the State has enacted and is enforcing a law that considers an individual who has an alcohol concentration of 0.08 percent or greater while operating a motor vehicle in the State to be driving—

''(A) while intoxicated; or

''(B) under the influence of alcohol.

''(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

''(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

''(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 2002.—Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 2002, shall remain available until the end of the third fiscal year following the fiscal year for which the funds are authorized to be apportioned.

''(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 2002.—No funds withheld under this section from apportionment to any State after September 30, 2002, shall be available for apportionment to the State.

''(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to a State under paragraph (1)(A), the State meets the requirements of subsection (a)(3), the Secretary shall, on the first day on which the State meets the requirements, apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

''(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—

''(A) IN GENERAL.—Any funds apportioned under paragraph (2) shall remain available for expenditure until the end of the third fiscal year following the fiscal year in which the funds are so apportioned.

''(B) TREATMENT OF CERTAIN FUNDS.—Sums not obligated at the end of the period referred to in subparagraph (A) shall—

''(i) lapse; or

''(ii) in the case of funds apportioned under section 104(b)(1)(A), lapse and be made available by the Secretary for projects in accordance with section 118.

''(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1)(A), the State does not meet the requirements of subsection (a)(3), the funds shall—

''(A) lapse; or

''(B) in the case of funds withheld from apportionment under section 104(b)(1)(A), lapse and be made available by the Secretary for projects in accordance with section 118.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 153 the following:

''154. National standard to prohibit operation of motor vehicles by intoxicated individuals.''.

LAUTENBERG AMENDMENT NO. 1413

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill, S. 1173, supra; as follows:

Strike pages 257 through 263 and insert the following:

''implemented, indicates total resources from public and private sources that are reasonably expected to be available to carry out the plan and recommends any additional financing strategies for needed projects and programs.

''(3) COORDINATION WITH CLEAN AIR ACT AGENCIES.—In metropolitan areas that are in nonattainment for ozone or carbon monoxide under the Clean Air Act (42 U.S.C. 7401 et seq.), the metropolitan planning organization shall coordinate the development of a

long-range transportation plan with the process for development of the transportation control measures of the State implementation plan required by that Act.

''(4) PARTICIPATION BY INTERESTED PARTIES.—Before adopting a long-range transportation plan, each metropolitan planning organization shall provide citizens, affected public agencies, representatives of transportation agency employees, freight shippers, private providers of transportation, and other interested parties with a reasonable opportunity to commit on the long-range transportation plan.

''(5) PUBLICATION OF LONG-RANGE TRANSPORTATION PLAN.—Each long-range transportation plan prepared by a metropolitan planning organization shall be—

''(A) published or otherwise made readily available for public review; and

''(B) submitted for information purposes to the Governor at such times and in such manner as the Secretary shall establish.

''(h) METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM.—

''(1) DEVELOPMENT.—

''(A) IN GENERAL.—In cooperation with the State and any affected public transit operator, the metropolitan planning organization designated for a metropolitan area shall develop a transportation improvement program for the area for which the organization is designated.

''(B) OPPORTUNITY FOR COMMENT.—In developing the program, the metropolitan planning organization, in cooperation with the State and any affected public transit operator, shall provide citizens, affected public agencies, representatives of transportation agency employees, other affected employee representatives, freight shippers, private providers of transportation, and other interested parties with a reasonable opportunity to comment on the proposed program.

''(C) FUNDING ESTIMATES.—For the purpose of developing the transportation improvement program, the metropolitan planning organization, public transit agency, and State shall cooperatively develop estimates of funds that are reasonably expected to be available to support program implementation.

''(D) UPDATING AND APPROVAL.—The program shall be updated at least once every 2 years and shall be approved by the metropolitan planning organization and the Governor.

''(2) CONTENTS.—The transportation improvement program shall include—

''(A) a list, in order of priority, of proposed federally supported projects and strategies to be carried out within each 3-year-period after the initial adoption of the transportation improvement program; and

''(B) a financial plan that—

''(i) demonstrates how the transportation improvement program can be implemented;

''(ii) indicates resources from public and private sources that are reasonably expected to be available to carry out the program; and

''(iii) identifies innovates financing techniques to finance projects, programs, and strategies.

''(3) INCLUDED PROJECTS.—

''(A) Chapter 1 and chapter 53 projects.—A transportation improvement program developed under this subsection for a metropolitan area shall include the projects and strategies within the area that are proposed for funding under chapter 1 of this title and chapter 53 of title 49.

''(B) CHAPTER 2 PROJECTS.—

''(i) REGIONALLY SIGNIFICANT PROJECTS.—Regionally significant projects proposed for funding under chapter 2 of this title shall be identified individually in the transportation improvement program.

''(ii) OTHER PROJECTS.—Projects proposed for funding under chapter 2 of this title that are not determined to be regionally significant shall be grouped in 1 line item or identified individually in the transportation improvement program.

''(C) CONSISTENCY WITH LONG-RANGE TRANSPORTATION PLAN.—Each project shall be consistent with the long-range transportation plan developed under subsection (g) for the area.

''(D) REQUIREMENT OF ANTICIPATED FULL FUNDING.—The program shall include a project, or an identified phase of a project, only if full funding can reasonably be anticipated to be available for the project within the time period contemplated for completion of the project.

''(4) NOTICE AND COMMENT.—Before approving a transportation improvement program, a metropolitan planning organization shall, in cooperation with the State and any affected public transit operator, provide citizens, affected public agencies, representatives of transportation agency employees, private providers of transportation, and other interested parties with reasonable notice of and an opportunity to comment on the proposed program.

''(5) SELECTION OF PROJECTS.—

''(A) IN GENERAL.—Except as otherwise provided in subsection (i)(4) and in addition to the transportation improvement program development required under paragraph (1), the selection of federally funded projects for implementation in metropolitan areas shall be carried out, from the approved transportation improvement program—

''(i) by—

''(I) in the case of projects under chapter 1, the State; and

''(II) in the case of projects under chapter 53 of title 49, the designated transit funding recipients; and

''(ii) in cooperation with the metropolitan planning organization.

''(B) MODIFICATIONS TO PROJECT PRIORITY.—Notwithstanding any other provision of law, action by the Secretary shall not be required to advance a project included in the approved transportation improvement program in place of another project of higher priority in the program, except where either such project is relevant to a determination of conformity with the Clean Air Act, nor shall any such action be required to change the indicated source of funding for any project.

''(i) TRANSPORTATION MANAGEMENT AREAS.—

''(1) DESIGNATION.—

''(A) REQUIRED DESIGNATIONS.—The Secretary shall designate as a transportation management area each urbanized area with a population of over 200,000 individuals.

''(B) DESIGNATIONS ON REQUEST.—The Secretary shall designate any additional area as a transportation management area on the request of the Governor and the metropolitan planning organization designated for the area.

''(2) TRANSPORTATION PLANS AND PROGRAMS.—Within a transportation management area, transportation plans and programs shall be based on a continuing and comprehensive transportation planning process carried out by the metropolitan planning organization in cooperation with the State and any affected public transit operator.

''(3) CONGESTION MANAGEMENT SYSTEM.—Within a transportation management area, the transportation planning process under this section shall include a congestion management system that provides for effective management of new and exist''.

HOLLINGS AMENDMENTS NOS. 1414–1415

(Ordered to lie on the table.)

Mr. HOLLINGS submitted two amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1414

On page 235, beginning with line 18, strike through line 16 on page 236.

AMENDMENT NO. 1415

On page 229, beginning with line 8, strike through line 17 on page 235.

HOLLINGS (AND McCAIN) AMENDMENT NO. 1416

(Ordered to lie on the table.)

Mr. HOLLINGS (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by them to the bill, S. 1173, supra; as follows:

At the end of the amendment, insert the following:

SECTION 1. SHORT TITLE; APPLICATION WITH PRECEDING PROVISIONS AND AMENDMENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Intermodal Transportation Safety Act of 1997''.

(b) APPLICATION.—The provisions of this Act appearing after this section, including any amendment made by any such provision, supersede any provision appearing before this section to the extent that the provisions or amendments appearing after this section conflict with and cannot be reconciled with the provisions (including amendments) appearing before this section. For purposes of this subsection, conflicts of enumeration or lettering of subdivisions of any provision of law amended by this Act, and conflicts of captions of any provision of law amended by this Act, shall be ignored.

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title; application with preceding provisions and amendments.
Sec. 2. Amendment of title 49, United States Code.
Sec. 3. Table of contents.

Title I—Highway Safety

Sec. 101. Highway safety programs.
Sec. 102. National driver register.
Sec. 103. Authorizations of appropriations.

Title II—Hazardous materials transportation reauthorization

Sec. 201. Findings and purposes; definitions.
Sec. 202. Handling criteria repeal.
Sec. 203. Hazmat employee training requirements.
Sec. 204. Registration.
Sec. 205. Shipping paper retention.
Sec. 206. Unsatisfactory safety rating.
Sec. 207. Public sector training curriculum.
Sec. 208. Planning and training grants.
Sec. 209. Special permits and exclusions.
Sec. 210. Administration.
Sec. 211. Cooperative agreements.
Sec. 212. Enforcement.
Sec. 213. Penalties.
Sec. 214. Preemption.
Sec. 215. Judicial review.
Sec. 216. Hazardous material transportation reauthorization.
Sec. 217. Authorization of appropriations.

Title III—Comprehensive One-call Notification

Sec. 301. Findings.

Sec. 302. Establishment of one-call notification programs.

Title IV—Motor Carrier Safety

Sec. 401. Statement of purpose.
Sec. 402. Grants to States.
Sec. 403. Federal share.
Sec. 404. Authorization of appropriations.
Sec. 405. Information systems and strategic safety initiatives.
Sec. 406. Improved flow of driver history pilot program.
Sec. 407. Motor carrier and driver safety research.
Sec. 408. Authorization of appropriations.
Sec. 409. Conforming amendments.
Sec. 410. Automobile transporter defined.
Sec. 411. Repeal of review panel; review procedure.
Sec. 412. Commercial motor vehicle operators.
Sec. 413. Penalties.
Sec. 414. International registration plan and international fuel tax agreement.
Sec. 415. Study of adequacy of parking facilities.
Sec. 416. National minimum drinking age—technical corrections.
Sec. 417. Application of regulations.
Sec. 418. Authority over charter bus transportation.
Sec. 419. Federal motor carrier safety investigations.
Sec. 420. Foreign motor carrier safety fitness.
Sec. 421. Commercial motor vehicle safety advisory committee.
Sec. 422. Waivers; exemptions; pilot programs.
Sec. 423. Commercial motor vehicle safety studies.
Sec. 424. Increased MCSAP participation impact study.

Title V—Rail and Mass Transportation Anti-terrorism; Safety

Sec. 501. Purpose.
Sec. 502. Amendments to the ''wrecking trains'' statute.
Sec. 503. Terrorist attacks against mass transportation.
Sec. 504. Investigative jurisdiction.
Sec. 505. Safety considerations in grants or loans to commuter railroads.
Sec. 506. Railroad accident and incident reporting.
Sec. 507. Vehicle weight limitations—mass transportation buses.

Title—VI Sportfishing and Boating Safety.

Sec. 601. Amendment of 1950 Act.
Sec. 602. Outreach and communications programs.
Sec. 603. Clean Vessel Act funding.
Sec. 604. Boating infrastructure.
Sec. 605. Boat safety funds.

TITLE I—HIGHWAY SAFETY

SEC. 101. HIGHWAY SAFETY PROGRAMS.

(a) UNIFORM GUIDELINES.—Section 402(a) of title 23, United States Code, is amended by striking ''section 4007'' and inserting ''section 4004''.

(b) ADMINISTRATIVE REQUIREMENTS.—Section 402(b) of such title is amended—

(1) by striking the period at the end of subparagraph (A) and subparagraph (B) of paragraph (1) and inserting a semicolon;

(2) by inserting '', including Indian tribes,'' after ''subdivisions of such State'' in paragraph (1)(C);

(3) by striking the period at the end of paragraph (1)(C) and inserting a semicolon and ''and''; and

(5) by striking paragraphs (3) and (4) and redesignating paragraph (5) as paragraph (3).

(c) APPORTIONMENT OF FUNDS—Section 402(c) of such title is amended by—

(1) by inserting ''the apportionment to the Secretary of the Interior shall not be less than three-fourths of 1 percent of the total apportionment and'' after ''except that'' in the sixth sentence; and

(2) by striking the seventh sentence.

(d) APPLICATION IN INDIAN COUNTRY—Section 402(i) of such title is amended to read as follows:

''(i) APPLICATION IN INDIAN COUNTRY.—

''(1) IN GENERAL.—For the purpose of application of this section in Indian country, the terms 'State' and 'Governor of a State' include the Secretary of the Interior and the term 'political subdivision of a State' includes an Indian tribe. Notwithstanding the provisions of subparagraph (b)(1)(C) of this section, 95 percent of the funds apportioned to the Secretary of the Interior under this section shall be expended by Indian tribes to carry out highway safety programs within their jurisdictions. The provisions of subparagraph (b)(1)(D) of this section shall be applicable to Indian tribes, except to those tribes with respect to which the Secretary determines that application of such provisions would not be practicable.

''(2) INDIAN COUNTRY DEFINED.—For the purposes of this subsection, the term 'Indian country' means—

''(A) all land within the limits of any Indian reservation under the jurisdiction of the United States, notwithstanding the issuance of any patent, and including rights-of-way running through the reservation;

''(B) all dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof and whether within or without the limits of a State; and

''(C) all Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through such allotments.''.

(e) RULEMAKING PROCESS.—Section 402(j) of such title is amended to read as follows:

''(j) RULEMAKING PROCESS.—The Secretary may from time to time conduct a rulemaking process to identify highway safety programs that are highly effective in reducing motor vehicle crashes, injuries and deaths. Any such rulemaking shall take into account the major role of the States in implementing such programs. When a rule promulgated in accordance with this section takes effect, States shall consider these highly effective programs when developing their highway safety programs.''.

(f) SAFETY INCENTIVE GRANTS.—Section 402 of such title is amended by striking subsection (k) and inserting the following:

''(k)(1) SAFETY INCENTIVE GRANTS: GENERAL AUTHORITY.—The Secretary shall make a grant to a State that takes specific actions to advance highway safety under subsection (l) of this section. A State may qualify for more than one grant and shall receive a separate grant for each subsection for which it qualifies. Such grants may only be used by recipient States to implement and enforce, as appropriate, the programs for which the grants are awarded.

''(2) MAINTENANCE OF EFFORT.—No grant may be made to a State under subsection (l) or (m) of this section in any fiscal year unless such State enters into such agreements with the Secretary as the Secretary may require to ensure that such State will maintain its aggregate expenditures from all other sources for the specific actions for which a grant is provided at or above the average level of such expenditures in its 2 fiscal years preceding the date of the enactment of this subsection.

''(3) MAXIMUM PERIOD OF ELIGIBILITY; FEDERAL SHARE FOR GRANTS.—Each grant under subsection (l) or (m) of this section shall be available for not more than 6 fiscal years beginning in the fiscal year after September 30, 1997, in which the State becomes eligible for the grant. The Federal share payable for any grant under subsection (l) or (m) shall not exceed—

''(A) in the first and second fiscal years in which the State receives the grant, 75 percent of the cost of implementing and enforcing, as appropriate, in such fiscal year a program adopted by the State;

''(B) in the third and fourth fiscal years in which the State receives the grant, 50 percent of the cost of implementing and enforcing, as appropriate, in such fiscal year such program; and

''(C) in the fifth and sixth fiscal years in which the State receives the grant, 25 percent of the cost of implementing and enforcing, as appropriate, in such fiscal year such program.

''(l) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES: BASIC GRANT ELIGIBILITY.—The Secretary shall make grants to those States that adopt and implement effective programs to reduce traffic safety problems resulting from persons driving under the influence of alcohol. A State shall become eligible for one or more of three basic grants under this subsection by adopting or demonstrating the following to the satisfaction of the Secretary:

''(1) BASIC GRANT A.—At least 7 of the following:

''(A) .08 BAC PER SE LAW.—A law that provides that any individual with a blood alcohol concentration of 0.08 percent or greater while operating a motor vehicle shall be deemed to be driving while intoxicated.

''(B) ADMINISTRATIVE LICENSE REVOCATION.—An administrative driver's license suspension or revocation system for persons who operate motor vehicles while under the influence of alcohol which requires that—

''(i) in the case of a person who, in any 5-year period beginning after the date of enactment of this subsection, is determined on the basis of a chemical test to have been operating a motor vehicle under the influence of alcohol or is determined to have refused to submit to such a test as proposed by a law enforcement officer, the State agency responsible for administering drivers' licenses, upon receiving the report of the law enforcement officer—

''(I) shall suspend the driver's license of such person for a period of not less than 90 days if such person is a first offender in such 5-year period; and

''(II) shall suspend the driver's license of such person for a period of not less than 1 year, or revoke such license, if such person is a repeat offender in such 5-year period; and

''(ii) the suspension and revocation referred to under clause (A)(i) of this subparagraph shall take effect not later than 30 days after the day on which the person refused to submit to a chemical test or received notice of having been determined to be driving under the influence of alcohol, in accordance with the State's procedures.

''(C) UNDERAGE DRINKING PROGRAM.—An effective system, as determined by the Secretary, for preventing operators of motor vehicles under age 21 from obtaining alcoholic beverages. Such system shall include the issuance of drivers' licenses to individuals under age 21 that are easily distinguishable in appearance from drivers' licenses issued to individuals age 21 years of age or older.

''(D) STOPPING MOTOR VEHICLES.—Either—

''(i) A statewide program for stopping motor vehicles on a nondiscriminatory, lawful basis for the purpose of determining whether the operators of such motor vehicles are driving while under the influence of alcohol, or

''(ii) a statewide Special Traffic Enforcement Program for impaired driving that emphasizes publicity for the program.

''(E) REPEAT OFFENDERS.—Effective sanctions for repeat offenders convicted of driving under the influence of alcohol. Such sanctions, as determined by the Secretary, may include electronic monitoring; alcohol interlocks; intensive supervision of probation; vehicle impoundment, confiscation, or forfeiture; and dedicated detention facilities.

''(F) GRADUATED LICENSING SYSTEM.—A three-stage graduated licensing system for young drivers that includes nighttime driving restrictions during the first 2 stages, requires all vehicle occupants to be properly restrained, and makes it unlawful for a person under age 21 to operate a motor vehicle with a blood alcohol concentration of .02 percent or greater.

''(G) DRIVERS WITH HIGH BAC'S.—Programs to target individuals with high blood alcohol concentrations who operate a motor vehicle. Such programs may include implementation of a system of graduated penalties and assessment of individuals convicted of driving under the influence of alcohol.

''(H) YOUNG ADULT DRINKING PROGRAMS.—Programs to reduce driving while under the influence of alcohol by individuals age 21 through 34. Such programs may include awareness campaigns; traffic safety partnerships with employers, colleges, and the hospitality industry; assessment of first time offenders; and incorporation of treatment into judicial sentencing.

''(I) TESTING FOR BAC.—An effective system for increasing the rate of testing for blood alcohol concentration of motor vehicle drivers at fault in fatal accidents.

''(2) BASIC GRANT B.—Either of the following:

''(A) ADMINISTRATIVE LICENSE REVOCATION.—An administrative driver's license suspension or revocation system for persons who operate motor vehicles while under the influence of alcohol which requires that—

''(i) in the case of a person who, in any 5-year period beginning after the date of enactment of this subsection, is determined on the basis of a chemical test to have been operating a motor vehicle under the influence of alcohol or is determined to have refused to submit to such a test as requested by a law enforcement officer, the State agency responsible for administering drivers' licenses, upon receiving the report of the law enforcement officer—

''(I) shall suspend the driver's license of such person for a period of not less than 90 days if such person is a first offender in such 5-year period; and

''(II) shall suspend the driver's license of such person for a period of not less than 1 year, or revoke such license, if such person is a repeat offender in such 5-year period; and

''(ii) the suspension and revocation referred to under clause (A)(i) of this subparagraph shall take effect not later than 30 days after the day on which the person refused to submit to a chemical test or receives notice of having been determined to be driving under the influence of alcohol, in accordance with the State's procedures; or

''(B) .08 BAC PER SE LAW.—A law that provides that any person with a blood alcohol concentration of 0.08 percent or greater while operating a motor vehicle shall be deemed to be driving while intoxicated.

''(3) BASIC GRANT C.—Both of the following:

''(A) FATAL IMPAIRED DRIVER PERCENTAGE REDUCTION.—The percentage of fatally injured drivers with 0.10 percent or greater blood alcohol concentration in the State has decreased in each of the 3 most recent calendar years for which statistics for determining such percentages are available; and

''(B) FATAL IMPAIRED DRIVER PERCENTAGE COMPARISON.—The percentage of fatally injured drivers with 0.10 percent or greater blood alcohol concentration in the State has been lower than the average percentage for all States in each of such calendar years.

''(4) BASIC GRANT AMOUNT.—The amount of each basic grant under this subsection for any fiscal year shall be up to 15 percent of the amount apportioned to the State for fiscal year 1997 under section 402 of this title.

''(5) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES: SUPPLEMENTAL GRANTS.—During the period in which a State is eligible for a basic grant under this subsection, the State shall be eligible to receive a supplemental grant in no more than 2 fiscal years of up to 5 percent of the amount apportioned to the State in fiscal year 1997 under section 402 of this title. The State may receive a separate supplemental grant for meeting each of the following criteria:

''(A) OPEN CONTAINER LAWS.—The State makes unlawful the possession of any open alcoholic beverage container, or the consumption of any alcoholic beverage, in the passenger area of any motor vehicle located on a public highway or the right-of-way of a public highway, except—

''(i) as allowed in the passenger area, by a person (other than the driver), of any motor vehicle designed to transport more than 10 passengers (including the driver) while being used to provide charter transportation of passengers; or

''(ii) as otherwise specifically allowed by such State, with the approval of the Secretary, but in no event may the driver of such motor vehicle be allowed to possess or consume an alcoholic beverage in the passenger area.

''(B) MANDATORY BLOOD ALCOHOL CONCENTRATION TESTING PROGRAMS.—The State provides for mandatory blood alcohol concentration testing whenever a law enforcement officer has probable cause under State law to believe that a driver of a motor vehicle involved in a crash resulting in the loss of human life or, as determined by the Secretary, serious bodily injury, has committed an alcohol-related traffic offense.

''(C) VIDEO EQUIPMENT FOR DETECTION OF DRUNK DRIVERS.—The State provides for a program to acquire video equipment to be used in detecting persons who operate motor vehicles while under the influence of alcohol and in prosecuting those persons, and to train personnel in the use of that equipment.

''(D) BLOOD ALCOHOL CONCENTRATION FOR PERSONS UNDER AGE 21.—The State enacts and enforces a law providing that any person under age 21 with a blood alcohol concentration of 0.02 percent or greater when driving a motor vehicle shall be deemed to be driving while intoxicated or driving under the influence of alcohol, and further provides for a minimum suspension of the person's driver's license for not less than 30 days.

''(E) SELF-SUSTAINING DRUNK DRIVING PREVENTION PROGRAM.—The State provides for a self-sustaining drunk driving prevention program under which a significant portion of the fines or surcharges collected from individuals apprehended and fined for operating a motor vehicle while under the influence of alcohol are returned to those communities which have comprehensive programs for the prevention of such operations of motor vehicles.

''(F) REDUCING DRIVING WITH A SUSPENDED LICENSE.—The State enacts and enforces a law to reduce driving with a suspended license. Such law, as determined by the Secretary, may require a 'zebra' stripe that is clearly visible on the license plate of any motor vehicle owned and operated by a driver with a suspended license.

''(G) EFFECTIVE DWI TRACKING SYSTEM.—The State demonstrates an effective driving while intoxicated (DWI) tracking system. Such a system, as determined by the Secretary, may include data covering arrests, case prosecutions, court dispositions and sanctions, and provide for the linkage of such data and traffic records systems to appropriate jurisdictions and offices within the State.

''(H) ASSESSMENT OF PERSONS CONVICTED OF ABUSE OF CONTROLLED SUBSTANCES; ASSIGNMENT OF TREATMENT FOR ALL DWI/DUI OFFENDERS.—The State provides for assessment of individuals convicted of driving while intoxicated or driving under the influence of alcohol or controlled substances, and for the assignment of appropriate treatment.

''(I) USE OF PASSIVE ALCOHOL SENSORS.—The State provides for a program to acquire passive alcohol sensors to be used by police officers in detecting persons who operate motor vehicles while under the influence of alcohol, and to train police officers in the use of that equipment.

''(J) EFFECTIVE PENALTIES FOR PROVISION OR SALE OF ALCOHOL TO PERSONS UNDER 21.—The State enacts and enforces a law that provides for effective penalties or other consequences for the sale or provision of alcoholic beverages to any individual under 21 years of age. The Secretary shall determine what penalties are effective.

''(6) DEFINITIONS.—For the purposes of this subsection, the following definitions apply:

''(A) 'Alcoholic beverage' has the meaning such term has under section 158(c) of this title.

''(B) 'Controlled substances' has the meaning such term has under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

''(C) 'Motor vehicle' means a vehicle driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line.

''(D) 'Open alcoholic beverage container' means any bottle, can, or other receptacle—

''(i) which contains any amount of an alcoholic beverage; and

''(ii)(I) which is open or has a broken seal, or

''(II) the contents of which are partially removed.

''(m) STATE HIGHWAY SAFETY DATA IMPROVEMENTS.—The Secretary shall make a grant to a State that takes effective actions to improve the timeliness, accuracy, completeness, uniformity, and accessibility of the State's data needed to identify priorities within State and local highway and traffic safety programs, to evaluate the effectiveness of such efforts, and to link these State data systems, including traffic records, together and with other data systems within the State, such as systems that contain medical and economic data:

''(1) FIRST-YEAR GRANT ELIGIBILITY.—A State is eligible for a first-year grant under this subsection in a fiscal year if such State either:

''(A) Demonstrates, to the satisfaction of the Secretary, that it has—

''(i) established a Highway Safety Data and Traffic Records Coordinating Committee with a multi-disciplinary membership including the administrators, collectors, and users of such data (including the public health, injury control, and motor carrier communities) of highway safety and traffic records databases;

''(ii) completed within the preceding 5 years a highway safety data and traffic records assessment or audit of its highway safety data and traffic records system; and

''(iii) initiated the development of a multi-year highway safety data and traffic records strategic plan to be approved by the Highway Safety Data and Traffic Records Coordinating Committee that identifies and prioritizes its highway safety data and traffic records needs and goals, and that identifies performance-based measures by which

progress toward those goals will be determined; or

''(B) Provides, to the satisfaction of the Secretary—

''(i) certification that it has met the provisions outlined in clauses (A)(i) and (A)(ii) of subparagraph (A) of this paragraph;

''(ii) a multi-year plan that identifies and prioritizes the State's highway safety data and traffic records needs and goals, that specifies how its incentive funds for the fiscal year will be used to address those needs and the goals of the plan, and that identifies performance-based measures by which progress toward those goals will be determined; and

''(iii) certification that the Highway Safety Data and Traffic Records Coordinating Committee continues to operate and supports the multi-year plan described in clause (B)(ii) of this subparagraph.

''(2) FIRST-YEAR GRANT AMOUNT.—The amount of a first-year grant made for State highway safety data and traffic records improvements for any fiscal year to any State eligible for such a grant under subparagraph (1)(A) of paragraph (A) of this subsection shall equal $1,000,000, subject to the availability of appropriations, and for any State eligible for such a grant under subparagraph (1)(B) of this subsection shall equal a proportional amount of the amount apportioned to the State for fiscal year 1997 under section 402 of this title, except that no State shall receive less than $250,000, subject to the availability of appropriations. The Secretary may award a grant of up to $25,000 for one year to any State that does not meet the criteria established in paragraph (1). The grant may only be used to conduct activities needed to enable that State to qualify for first-year funding to begin in the next fiscal year.

''(3) STATE HIGHWAY SAFETY DATA AND TRAFFIC RECORDS IMPROVEMENTS; SUCCEEDING-YEAR GRANTS.—A State shall be eligible for a grant in any fiscal year succeeding the first fiscal year in which the State receives a State highway safety data and traffic records grant if the State, to the satisfaction of the Secretary:

''(A) Submits or updates a multi-year plan that identifies and prioritizes the State's highway safety data and traffic records needs and goals, that specifies how its incentive funds for the fiscal year will be used to address those needs and the goals of the plan, and that identifies performance-based measures by which progress toward those goals will be determined;

''(B) Certifies that its Highway Safety Data and Traffic Records Coordinating Committee continues to support the multi-year plan; and

''(C) Reports annually on its progress in implementing the multi-year plan.

''(4) SUCCEEDING-YEAR GRANT AMOUNTS.—The amount of a succeeding-year grant made for State highway safety data and traffic records improvements for any fiscal year to any State that is eligible for such a grant shall equal a proportional amount of the amount apportioned to the State for fiscal year 1997 under section 402 of this title, except that no State shall receive less than $225,000, subject to the availability of appropriations.''.

(g) OCCUPANT PROTECTION PROGRAM.—

(1) IN GENERAL.—Section 410 of title 23, United States Code, is amended to read as follows:

''§ 410. Safety belts and occupant protection program

''The Secretary shall make basic grants to those States that adopt and implement effective programs to reduce highway deaths and injuries resulting from persons riding unrestrained or improperly restrained in motor vehicles. A State may establish its eligibility for one or both of the grants by adopting or demonstrating the following to the satisfaction of the Secretary:

''(1) BASIC GRANT A.—At least 4 of the following:

''(A) SAFETY BELT USE LAW FOR ALL FRONT SEAT OCCUPANTS.—The State has in effect a safety belt use law that makes unlawful throughout the State the operation of a passenger motor vehicle whenever a person in the front seat of the vehicle (other than a child who is secured in a child restraint system) does not have a safety belt properly secured about the person's body.

''(B) PRIMARY SAFETY BELT USE LAW.—The State provides for primary enforcement of its safety belt use law.

''(C) CHILD PASSENGER PROTECTION LAW.—The State has in effect a law that requires minors who are riding in a passenger motor vehicle to be properly secured in a child safety seat or other appropriate restraint system.

''(D) CHILD OCCUPANT PROTECTION EDUCATION PROGRAM.—The State demonstrates implementation of a statewide comprehensive child occupant protection education program that includes education about proper seating positions for children in air bag equipped motor vehicles and instruction on how to reduce the improper use of child restraints systems. The States are to submit to the Secretary an evaluation or report on the effectiveness of the programs at least three years after receipt of the grant.

''(E) MINIMUM FINES.—The State requires a minimum fine of at least $25 for violations of its safety belt use law and a minimum fine of at least $25 for violations of its child passenger protection law.

''(F) SPECIAL TRAFFIC ENFORCEMENT PROGRAM.—The State demonstrates implementation of a statewide Special Traffic Enforcement Program for occupant protection that emphasizes publicity for the program.

''(2) BASIC GRANT B.—Both of the following:

''(A) STATE SAFETY BELT USE RATE.—The State demonstrates a statewide safety belt use rate in both front outboard seating positions in all passenger motor vehicles of 80 percent or higher in each of the first 3 years a grant under this paragraph is received, and of 85 percent or higher in each of the fourth, fifth, and sixth years a grant under this paragraph is received.

''(B) SURVEY METHOD.—The State follows safety belt use survey methods which conform to guidelines issued by the Secretary ensuring that such measurements are accurate and representative.

''(3) BASIC GRANT AMOUNT.—The amount of each basic grant for which a State qualifies under this subsection for any fiscal year shall equal up to 20 percent of the amount apportioned to the State for fiscal year 1997 under section 402 of this title.

''(4) OCCUPANT PROTECTION PROGRAM: SUPPLEMENTAL GRANTS.—During the period in which a State is eligible for a basic grant under this subsection, the State shall be eligible to receive a supplemental grant in a fiscal year of up to 5 percent of the amount apportioned to the State in fiscal year 1997 under section 402 of this title. The State may receive a separate supplemental grant for meeting each of the following criteria:

''(A) PENALTY POINTS AGAINST A DRIVER'S LICENSE FOR VIOLATIONS OF CHILD PASSENGER PROTECTION REQUIREMENTS.—The State has in effect a law that requires the imposition of penalty points against a driver's license for violations of child passenger protection requirements.

''(B) ELIMINATION OF NON-MEDICAL EXEMPTIONS TO SAFETY BELT AND CHILD PASSENGER PROTECTION LAWS.—The State has in effect safety belt and child passenger protection laws that contain no nonmedical exemptions.

''(C) SAFETY BELT USE IN REAR SEATS.—The State has in effect a law that requires safety belt use by all rear-seat passengers in all passenger motor vehicles with a rear seat.

''(5) DEFINITIONS.—As used in this subsection—

''(A) 'Child safety seat' means any device except safety belts, designed for use in a motor vehicle to restrain, seat, or position children who weigh 50 pounds or less.

''(B) 'Motor vehicle' means a vehicle driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line.

''(C) 'Multipurpose passenger vehicle' means a motor vehicle with motive power (except a trailer), designed to carry not more than 10 individuals, that is constructed either on a truck chassis or with special features for occasional off-road operation.

''(D) 'Passenger car' means a motor vehicle with motive power (except a multipurpose passenger vehicle, motorcycle, or trailer) designed to carry not more than 10 individuals.

''(E) 'Passenger motor vehicle' means a passenger car or a multipurpose passenger motor vehicle.

''(F) 'Safety belt' means—

''(i) with respect to open-body passenger vehicles, including convertibles, an occupant restraint system consisting of a lap belt or a lap belt and a detachable shoulder belt; and

''(ii) with respect to other passenger vehicles, an occupant restraint system consisting of integrated lap and shoulder belts.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 4 of that chapter is amended by striking the item relating to section 410 and inserting the following:

''410. Safety belts and occupant protection program''.

(h) DRUGGED DRIVER RESEARCH AND DEMONSTRATION PROGRAM.—Section 403(b) of title 23, United States Code, is amended—

(1) by inserting ''(1)'' before ''In addition'';

(2) by striking ''is authorized to'' and inserting ''shall'';

(3) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(4) by inserting after subparagraph (B), as redesignated, the following:

''(C) Measures that may deter drugged driving.''.

SEC. 102. NATIONAL DRIVER REGISTER.

(a) TRANSFER OF SELECTED FUNCTIONS TO NON-FEDERAL MANAGEMENT.—Section 30302 is amended by adding at the end thereof the following:

''(e) TRANSFER OF SELECTED FUNCTIONS TO NON-FEDERAL MANAGEMENT.—(1) The Secretary may enter into an agreement with an organization that represents the interests of the States to manage, administer, and operate the National Driver Register's computer timeshare and user assistance functions. If the Secretary decides to enter into such an agreement, the Secretary shall ensure that the management of these functions is compatible with this chapter and the regulations issued to implement this chapter.

''(2) Any transfer of the National Driver Register's computer timeshare and user assistance functions to an organization that represents the interests of the States shall begin only after a determination is made by the Secretary that all States are participating in the National Driver Register's 'Problem Driver Pointer System' (the system used by the Register to effect the exchange of motor vehicle driving records), and that the system is functioning properly.

''(3) The agreement entered into under this subsection shall include a provision for a

transition period sufficient to allow the States to make the budgetary and legislative changes they may need to pay fees charged by the organization representing their interests for their use of the National Driver Register's computer timeshare and user assistance functions. During this transition period, the Secretary (through the National Highway Traffic Safety Administration) shall continue to fund these transferred functions.

''(4) The total of the fees charged by the organization representing the interests of the States in any fiscal year for the use of the National Driver Register's computer timeshare and user assistance functions shall not exceed the total cost to the organization for performing these functions in such fiscal year.

''(5) Nothing in this subsection shall be construed to diminish, limit, or otherwise affect the authority of the Secretary to carry out this chapter.''.

(b) ACCESS TO REGISTER INFORMATION.—Section 30305(b) is amended—

(1) by striking ''request.'' in paragraph (2) and inserting the following: ''request, unless the information is about a revocation or suspension still in effect on the date of the request'';

(2) by inserting after paragraph (6) the following:

''(7) The head of a Federal department or agency that issues motor vehicle operator's licenses may request the chief driver licensing official of a State to obtain information under subsection (a) of this section about an individual applicant for a motor vehicle operator's license from such department or agency. The department or agency may receive the information, provided it transmits to the Secretary a report regarding any individual who is denied a motor vehicle operator's license by that department or agency for cause; whose motor vehicle operator's license is revoked, suspended or canceled by that department or agency for cause; or about whom the department or agency has been notified of a conviction of any of the motor vehicle-related offenses or comparable offenses listed in subsection 30304(a)(3) and over whom the department or agency has licensing authority. The report shall contain the information specified in subsection 30304(b).

''(8) The head of a Federal department or agency authorized to receive information regarding an individual from the Register under this section may request and receive such information from the Secretary.'';

(3) by redesignating paragraphs (7) and (8) as paragraphs (9) and (10); and

(4) by striking ''paragraph (2)'' in paragraph (10), as redesignated, and inserting ''subsection (a) of this section''.

SEC. 103. AUTHORIZATIONS OF APPROPRIATIONS.

(a) HIGHWAY SAFETY PROGRAMS.—The following sums are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account):

(1) CONSOLIDATED STATE HIGHWAY SAFETY PROGRAMS.—

(A) For carrying out the State and Community Highway Safety Program under section 402 of title 23, United States Code, by the National Highway Traffic Safety Administration, except for the incentive programs under subsection (l) of that section—

(i) $117,858,000 for fiscal year 1998;
(ii) $123,492,000 for fiscal year 1999;
(iii) $126,877,000 for fiscal year 2000;
(iv) $130,355,000 for fiscal year 2001;
(v) $133,759,000 for fiscal year 2002; and
(vi) $141,803,000 for fiscal year 2003.

(B) To carry out the alcohol-impaired driving countermeasures incentive grant provisions of section 402(l) of title 23, United States Code, by the National Highway Traffic Safety Administration—

(i) $30,570,000 for fiscal year 1998;
(ii) $28,500,000 for fiscal year 1999;
(iii) $29,273,000 for fiscal year 2000;
(iv) $30,065,000 for fiscal year 2001;
(v) $38,743,000 for fiscal year 2002; and
(vi) $39,815,000 for fiscal year 2003.

Amounts made available to carry out subsection (l) are authorized to remain available until expended, provided that, in each fiscal year the Secretary may reallocate any amounts remaining available under subsection (l) of section 402 of title 23, United States Code, as necessary to ensure, to the maximum extent possible, that States may receive the maximum incentive funding for which they are eligible under these programs.

(C) To carry out the occupant protection program incentive grant provisions of section 410 of title 23, United States Code, by the National Highway Traffic Safety Administration—

(i) $13,950,000 for fiscal year 1998;
(ii) $14,618,000 for fiscal year 1999;
(iii) $15,012,000 for fiscal year 2000;
(iv) $15,418,000 for fiscal year 2001;
(v) $17,640,000 for fiscal year 2002; and
(vi) $17,706,000 for fiscal year 2003.

Amounts made available to carry out subsection (m) are authorized to remain available until expended, provided that, in each fiscal year the Secretary may reallocate any amounts remaining available under subsection (m) to subsections (l), (n), and (o) of section 402 of title 23, United States Code, as necessary to ensure, to the maximum extent possible, that States may receive the maximum incentive funding for which they are eligible under these programs.

(D) To carry out the State highway safety data improvements incentive grant provisions of subsection 402(n) of title 23, United States Code, by the National Highway Traffic Safety Administration—

(i) $8,370,000 for fiscal year 1998;
(ii) $8,770,000 for fiscal year 1999;
(iii) $9,007,000 for fiscal year 2000; and
(iv) $9,250,000 for fiscal year 2001.

Amounts made available to carry out subsection (n) are authorized to remain available until expended.

(E) To carry out the drugged driving research and demonstration programs of section 403(b)(1) of title 23, United States Code, by the National Highway Traffic Safety Administration, $2,000,000 for each of fiscal years 1999, 2000, 2001, 2002, and 2003.

Amounts made available to carry out subsection (o) are authorized to remain available until expended, provided that, in each fiscal year the Secretary may reallocate any amounts remaining available under subsection (o) to subsections (l), (m), and (n) of section 402 of title 23, United States Code, as necessary to ensure, to the maximum extent possible, that States may receive the maximum incentive funding for which they are eligible under these programs.

(2) SECTION 403 HIGHWAY SAFETY AND RESEARCH.—For carrying out the functions of the Secretary, by the National Highway Traffic Safety Administration, for highway safety under section 403 of title 23, United States Code, there are authorized to be appropriated $60,100,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002, and $61,700,000 for fiscal year 2003.

(3) PUBLIC EDUCATION EFFORT.—Out of funds made available for carrying out programs under section 403 of title 23, United States Code, for each of fiscal years 1998, 1999, 2000, 2001, 2002, and 2003, the Secretary of Transportation shall obligate at least $500,000 to educate the motoring public on how to share the road safely with commercial motor vehicles.

(4) NATIONAL DRIVER REGISTER.—For carrying out chapter 303 (National Driver Register) of title 49, United States Code, by the National Highway Traffic Safety Administration—

(i) $1,605,000 for fiscal year 1998;
(ii) $1,680,000 for fiscal year 1999;
(iii) $1,726,000 for fiscal year 2000;
(iv) $1,772,000 for fiscal year 2001;
(v) $1,817,000 for fiscal year 2002; and
(vi) $1,872,000 for fiscal year 2003.

TITLE II—HAZARDOUS MATERIALS TRANSPORTATION REAUTHORIZATION

SEC. 201. FINDINGS AND PURPOSES; DEFINITIONS.

(a) FINDINGS AND PURPOSES.—Section 5101 is amended to read as follows:

''§ 5101. Findings and purposes

''(a) FINDINGS.—The Congress finds with respect to hazardous materials transportation that—

''(1) approximately 4 billion tons of regulated hazardous materials are transported each year and that approximately 500,000 movements of hazardous materials occur each day, according to the Department of Transportation estimates;

''(2) accidents involving the release of hazardous materials are a serious threat to public health and safety;

''(3) many States and localities have enacted laws and regulations that vary from Federal laws and regulations pertaining to the transportation of hazardous materials, thereby creating the potential for unreasonable hazards in other jurisdictions and confounding shippers and carriers that attempt to comply with multiple and conflicting registration, permitting, routings, notification, loading, unloading, incidental storage, and other regulatory requirements;

''(4) because of the potential risks to life, property and the environment posed by unintentional releases of hazardous materials, consistency in laws and regulations governing the transportation of hazardous materials, including loading, unloading, and incidental storage, is necessary and desirable;

''(5) in order to achieve greater uniformity and to promote the public health, welfare, and safety at all levels, Federal standards for regulating the transportation of hazardous materials in intrastate, interstate, and foreign commerce are necessary and desirable;

''(6) in order to provide reasonable, adequate, and cost-effective protection from the risks posed by the transportation of hazardous materials, a network of adequately trained State and local emergency response personnel is required;

''(7) the movement of hazardous materials in commerce is necessary and desirable to maintain economic vitality and meet consumer demands, and shall be conducted in a safe and efficient manner;

''(8) primary authority for the regulation of such transportation should be consolidated in the Department of Transportation to ensure the safe and efficient movement of hazardous materials in commerce; and

''(9) emergency response personnel have a continuing need for training on responses to releases of hazardous materials in transportation and small businesses have a continuing need for training on compliance with hazardous materials regulations.

''(b) PURPOSES.—The purposes of this chapter are—

''(1) to ensure the safe and efficient transportation of hazardous materials in intrastate, interstate, and foreign commerce, including the loading, unloading, and incidental storage of hazardous material;

''(2) to provide the Secretary with preemption authority to achieve uniform regulation

of hazardous material transportation, to eliminate inconsistent rules that apply differently from Federal rules, to ensure efficient movement of hazardous materials in commerce, and to promote the national health, welfare, and safety; and

''(3) to provide adequate training for public sector emergency response teams to ensure safe responses to hazardous material transportation accidents and incidents.''.

(b) DEFINITIONS.—Section 5102 is amended by—

(1) by striking paragraph (1) and inserting the following:

''(1) 'commerce' means trade or transportation in the jurisdiction of the United States—

''(A) between a place in a State and a place outside of the State;

''(B) that affects trade or transportation between a place in a State and a place outside of the State; or

''(C) on a United States-registered aircraft.'';

(2) by striking paragraphs (3) and (4) and inserting the following:

''(3) 'hazmat employee' means an individual who—

''(A) is—

''(i) employed by a hazmat employer,

''(ii) self-employed, or

''(iii) an owner-operator of a motor vehicle; and

''(B) during the course of employment—

''(i) loads, unloads, or handles hazardous material;

''(ii) manufactures, reconditions, or tests containers, drums, or other packagings represented as qualified for use in transporting hazardous material;

''(iii) performs any function pertaining to the offering of hazardous material for transportation;

''(iv) is responsible for the safety of transporting hazardous material; or

''(v) operates a vehicle used to transport hazardous material.

''(4) 'hazmat employer' means a person who—

''(A) either—

''(i) is self-employed,

''(ii) is an owner-operator of a motor vehicle, or

''(iii) has at least one employee; and

''(B) performs a function, or uses at least one employee, in connection with—

''(i) transporting hazardous material in commerce;

''(ii) causing hazardous material to be transported in commerce, or

''(iii) manufacturing, reconditioning, or testing containers, drums, or other packagings represented as qualified for use in transporting hazardous material.'';

(3) by striking ''title. '' in paragraph (7) and inserting ''title, except that a freight forwarder is included only if performing a function related to highway transportation'';

(4) by redesignating paragraphs (9) through (13) as paragraphs (12) through (16);

(5) by inserting after paragraph (8) the following:

''(9) 'out-of-service order' means a mandate that an aircraft, vessel, motor vehicle, train, other vehicle, or a part of any of these, not be moved until specified conditions have been met.

''(10) 'package' or 'outside package' means a packaging plus its contents.

''(11) 'packaging' means a receptacle and any other components or materials necessary for the receptacle to perform its containment function in conformance with the minimum packaging requirements established by the Secretary of Transportation.''; and

(6) by striking ''or transporting hazardous material to further a commercial enterprise;'' in paragraph 12(A), as redesignated by paragraph (4) of this subsection, and inserting a comma and ''transporting hazardous material to further a commercial enterprise, or manufacturing, reconditioning, or testing containers, drums, or other packagings represented as qualified for use in transporting hazardous material''.

(c) CLERICAL AMENDMENT.—The chapter analysis of chapter 51 is amended by striking the item relating to section 5101 and inserting the following:

''5101. Findings and purposes''.

SEC. 202. HANDLING CRITERIA REPEAL.

Section 5106 is repealed and the chapter analysis of chapter 51 is amended by striking the item relating to that section.

SEC. 203. HAZMAT EMPLOYEE TRAINING REQUIREMENTS.

Section 5107(f)(2) is amended by striking ''and sections 5106, 5108(a)–(g)(1) and (h), and''.

SEC. 204. REGISTRATION.

Section 5108 is amended by—

(1) by striking subsection (b)(1)(C) and inserting the following:

''(C) each State in which the person carries out any of the activities.'';

(2) by striking subsection (c) and inserting the following:

''(c) FILING SCHEDULE.—Each person required to file a registration statement under subsection (a) of this section shall file that statement annually in accordance with regulations issued by the Secretary.'';

(3) by striking ''552(f)'' in subsection (f) and inserting ''552(b)'';

(4) by striking ''may'' in subsection (g)(1) and inserting ''shall''; and

(5) by inserting ''or an Indian tribe,'' in subsection (i)(2)(B) after ''State,''.

SEC. 205. SHIPPING PAPER RETENTION.

Section 5110(e) is amended by striking the first sentence and inserting ''After expiration of the requirement in subsection (c) of this section, the person who provided the shipping paper and the carrier required to maintain it under subsection (a) of this section shall retain the paper or an electronic image thereof, for a period of 1 year after the shipping paper was provided to the carrier, to be accessible through their respective principal places of business.''.

SEC. 206. UNSATISFACTORY SAFETY RATING.

Section 5113(d) is amended by striking ''Secretary, in consultation with the Interstate Commerce Commission,'' and inserting ''Secretary''.

SEC. 207. PUBLIC SECTOR TRAINING CURRICULUM.

Section 5115 is amended by—

(1) by striking ''DEVELOPMENT AND UPDATING.—Not later than November 16, 1992, in'' in subsection (a) and inserting ''UPDATING.—In'';

(2) by striking ''develop and'' in the first sentence of subsection (a);

(3) by striking the second sentence of subsection (a);

(4) by striking ''developed'' in the first sentence of subsection (b);

(5) by inserting ''or involving an alternative fuel vehicle'' after ''material'' in subparagraphs (A) and (B) of subsection (b)(1); and

(6) by striking subsection (d) and inserting the following:

''(d) DISTRIBUTION AND PUBLICATION.—With the national response team, the Secretary of Transportation may publish a list of programs that use a course developed under this section for training public sector employees to respond to an accident or incident involving the transportation of hazardous material.''.

SEC. 208. PLANNING AND TRAINING GRANTS.

Section 5116 is amended by—

(1) by striking ''of'' in the second sentence of subsection (e) and inserting ''received by'';

(2) by striking subsection (f) and inserting the following:

''(f) MONITORING AND TECHNICAL ASSISTANCE.—The Secretary of Transportation shall monitor public sector emergency response planning and training for an accident or incident involving hazardous material. Considering the results of the monitoring, the Secretary shall provide technical assistance to a State, political subdivision of a State, or Indian tribe for carrying out emergency response training and planning for an accident or incident involving hazardous material and shall coordinate the assistance using the existing coordinating mechanisms of the National Response Team for Oil and Hazardous Substances and, for radioactive material, the Federal Radiological Preparedness Coordinating Committee.''; and

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

''(l) SMALL BUSINESSES.—The Secretary may authorize a State or Indian tribe receiving a grant under this section to use up to 25 percent of the amount of the grant to assist small businesses in complying with regulations issued under this chapter.''.

SEC. 209. SPECIAL PERMITS AND EXCLUSIONS.

(a) Section 5117 is amended by—

(1) by striking the section caption and inserting the following:

''§ 5117. Special permits and exclusions'';

(2) by striking ''exemption'' each place it appears and inserting ''special permit'';

(3) by inserting ''authorizing variances'' after ''special permit'' the first place it appears; and

(4) by striking ''2'' and inserting ''4'' in subsection (a)(2).

(b) Section 5119(c) is amended by adding at the end thereof the following:

''(4) Pending promulgation of regulations under this subsection, States may participate in a program of uniform forms and procedures recommended by the working group under subsection (b).''

(c) The chapter analysis for chapter 51 is amended by striking the item related to section 5117 and inserting the following:

''5117. Special permits and exclusions''.

SEC. 210. ADMINISTRATION.

(a) Section 5121 is amended by striking subsections (a), (b), and (c) and redesignating subsections (d) and (e) as subsections (a) and (b).

(b) Section 5122 is amended by redesignating subsections (a), (b), and (c) as subsections (d), (e), and (f), and by inserting before subsection (d), as redesignated, the following:

''(a) GENERAL AUTHORITY.—To carry out this chapter, the Secretary of Transportation may investigate, make reports, issue subpenas, conduct hearings, require the production of records and property, take depositions, and conduct research, development, demonstration, and training activities. After notice and an opportunity for a hearing, the Secretary may issue an order requiring compliance with this chapter or a regulation prescribed under this chapter.

''(b) RECORDS, REPORTS, AND INFORMATION.—A person subject to this chapter shall—

''(1) maintain records, make reports, and provide information the Secretary by regulation or order requires; and

''(2) make the records, reports, and information available when the Secretary requests.

''(c) INSPECTION.—

''(1) The Secretary may authorize an officer, employee, or agent to inspect, at a reasonable time and in a reasonable way, records and property related to—

''(A) manufacturing, fabricating, marking, maintaining, reconditioning, repairing, testing, or distributing a packaging or a container for use by a person in transporting hazardous material in commerce; or

''(B) the transportation of hazardous material in commerce.

''(2) An officer, employee, or agent under this subsection shall display proper credentials when requested.''.

SEC. 211. COOPERATIVE AGREEMENTS.

Section 5121, as amended by section 310(a), is further amended by adding at the end thereof the following:

''(c) AUTHORITY FOR COOPERATIVE AGREEMENTS.—To carry out this chapter, the Secretary may enter into grants, cooperative agreements, and other transactions with a person, agency or instrumentality of the United States, a unit of State or local government, an Indian tribe, a foreign government (in coordination with the State Department), an educational institution, or other entity to further the objectives of this chapter. The objectives of this chapter include the conduct of research, development, demonstration, risk assessment, emergency response planning and training activities.''.

SEC. 212. ENFORCEMENT.

Section 5122, as amended by section 310(b), is further amended by—

(1) by inserting ''inspect,'' after ''may'' in the first sentence of subsection (a);

(2) by striking the last sentence of subsection (a) and inserting: ''Except as provided in subsection (e) of this section, the Secretary shall provide notice and an opportunity for a hearing prior to issuing an order requiring compliance with this chapter or a regulation, order, special permit, or approval issued under this chapter.'';

(2) by redesignating subsections (d), (e) and (f) as subsections (f), (g) and (h), and inserting after subsection (c) the following:

''(d) OTHER AUTHORITY.—

''(1) INSPECTION.—During inspections and investigations, officers, employees, or agents of the Secretary may—

''(A) open and examine the contents of a package offered for, or in, transportation when—

''(i) the package is marked, labeled, certified, placarded, or otherwise represented as containing a hazardous material, or

''(ii) there is an objectively reasonable and articulable belief that the package may contain a hazardous material;

''(B) take a sample, sufficient for analysis, of material marked or represented as a hazardous material or for which there is an objectively reasonable and articulable belief that the material may be a hazardous material, and analyze that material;

''(C) when there is an objectively reasonable and articulable belief that an imminent hazard may exist, prevent the further transportation of the material until the hazardous qualities of that material have been determined; and

''(D) when safety might otherwise be compromised, authorize properly qualified personnel to conduct the examination, sampling, or analysis of a material.

''(2) NOTIFICATION.—No package opened pursuant to this subsection shall continue its transportation until the officer, employee, or agent of the Secretary—

''(A) affixes a label to the package indicating that the package was inspected pursuant to this subsection; and

''(B) notifies the shipper that the package was opened for examination.

''(e) EMERGENCY ORDERS.—

''(1) If, through testing, inspection, investigation, or research carried out under this chapter, the Secretary decides that an unsafe condition or practice, or a combination of them, causes an emergency situation involving a hazard of death, personal injury, or significant harm to the environment, the Secretary may immediately issue or impose restrictions, prohibitions, recalls, or out-of-service orders, without notice or the opportunity for a hearing, that may be necessary to abate the situation.

''(2) The Secretary's action under this subsection must be in a written order describing the condition or practice, or combination of them, that causes the emergency situation; stating the restrictions, prohibitions, recalls, or out-of-service orders being issued or imposed; and prescribing standards and procedures for obtaining relief from the order.

''(3) After taking action under this subsection, the Secretary shall provide an opportunity for review of that action under section 554 of title 5.

''(4) If a petition for review is filed and the review is not completed by the end of the 30-day period beginning on the date the petition was filed, the action will cease to be effective at the end of that period unless the Secretary determines in writing that the emergency situation still exists.''.

SEC. 213. PENALTIES.

(a) Section 5123(a)(1) is amended by striking the first sentence and inserting the following: ''A person that knowingly violates this chapter or a regulation, order, special permit, or approval issued under this chapter is liable to the United States Government for a civil penalty of at least $250 but not more than $27,500 for each violation.''.

(b) Section 5123(c)(2) is amended to read as follows:

''(2) with respect to the violator, the degree of culpability, any good-faith efforts to comply with the applicable requirements, any history of prior violations, any economic benefit resulting from the violation, the ability to pay, and any effect on the ability to continue to do business; and''.

(c) Section 5124 is amended to read as follows:

''§ 5124. Criminal penalty

''(a) IN GENERAL.—A person knowingly violating section 5104(b) of this title or willfully violating this chapter or a regulation, order, special permit, or approval issued under this chapter, shall be fined under title 18, imprisoned for not more than 5 years, or both.

''(b) AGGRAVATED VIOLATIONS.—A person knowingly violating section 5104(b) of this title or willfully violating this chapter or a regulation, order, special permit, or approval issued under this chapter, and thereby causing the release of a hazardous material, shall be fined under title 18, imprisoned for not more than 20 years, or both.''.

SEC. 214. PREEMPTION.

(a) REQUIREMENTS CONTRARY TO PURPOSES OF CHAPTER.—Section 5125(a)(2) is amended by inserting a comma and ''the purposes of this chapter,'' after ''this chapter'' the first place it appears.

(b) DEADWOOD.—Section 5125(b)(2) is amended by striking ''prescribes after November 16, 1990.'' and inserting ''prescribes.''.

(c) INDEPENDENT APPLICATION OF PREEMPTION STANDARDS.—Section 5125 is amended by adding at the end thereof the following:

''(h) INDEPENDENT APPLICATION OF EACH STANDARD.—Each preemption standard in subsections (a), (b)(1), (c), and (g) of this section and section 5119(c)(2) is independent in its application to a requirement of any State, political subdivision of a State, or Indian tribe.''.

SEC. 215. JUDICIAL REVIEW.

(a) Chapter 51 is amended by redesignating section 5127 as section 5128, and by inserting after section 5126 the following new section:

''§ 5127. Judicial review

''(a) FILING AND VENUE.—Except as provided in section 20114(c) of this title, a person disclosing a substantial interest in a final order issued, under the authority of section 5122 or 5123 of this title, by the Secretary of Transportation, the Administrators of the Research and Special Programs Administration, the Federal Aviation Administration, or the Federal Highway Administration, or the Commandant of the United States Coast Guard ('modal Administrator'), with respect to the duties and powers designated to be carried out by the Secretary under this chapter, may apply for review in the United States Court of Appeals for the District of Columbia or in the court of appeals for the United States for the circuit in which the person resides or has its principal place of business. The petition must be filed not more than 60 days after the order is issued. The court may allow the petition to be filed after the 60th day only if there are reasonable grounds for not filing by the 60th day.

''(b) JUDICIAL PROCEDURES.—When a petition is filed under subsection (a) of this section, the clerk of the court immediately shall send a copy of the petition to the Secretary or the modal Administrator, as appropriate. The Secretary or the modal Administrator shall file with the court a record of any proceeding in which the order was issued, as provided in section 2112 of title 28.

''(c) AUTHORITY OF COURT.—When the petition is sent to the Secretary or the modal Administrator, the court has exclusive jurisdiction to affirm, amend, modify, or set aside any part of the order and may order the Secretary or the modal Administrator to conduct further proceedings. After reasonable notice to the Secretary or the modal Administrator, the court may grant interim relief by staying the order or taking other appropriate action when good cause for its action exists. Findings of fact by the Secretary or the modal Administrator, if supported by substantial evidence, are conclusive.

''(d) REQUIREMENT FOR PRIOR OBJECTION.—In reviewing a final order under this section, the court may consider an objection to a final order of the Secretary or the modal Administrator only if the objection was made in the course of a proceeding or review conducted by the Secretary, the modal Administrator, or an administrative law judge, or if there was a reasonable ground for not making the objection in the proceeding.

''(e) SUPREME COURT REVIEW.—A decision by a court under this section may be reviewed only by the Supreme Court under section 1254 of title 28, United States Code.''.

(b) The chapter analysis for chapter 51 is amended by striking the item related to section 5127 and inserting the following:

''5127. Judicial review.''.

''5128. Authorization of appropriations.''.

SEC. 216. HAZARDOUS MATERIAL TRANSPORTATION REAUTHORIZATION.

(a) IN GENERAL.—Chapter 51, as amended by section 215 of this Act, is amended by redesignating section 5128 as section 5129 and by inserting after section 5127 the following:

''§ 5128. High risk hazardous material; motor carrier safety study

''(a) STUDY.—The Secretary of Transportation shall conduct a study—

''(1) to determine the safety benefits and administrative efficiency of implementing a Federal permit program for high risk hazardous material carriers;

''(2) to identify and evaluate alternative regulatory methods and procedures that may improve the safety of high risk hazardous material carriers and shippers;

''(3) to examine the safety benefits of increased monitoring of high risk hazardous material carriers, and the costs, benefits, and procedures of existing State permit programs;

''(4) to make such recommendations as may be appropriate for the improvement of uniformity among existing State permit programs; and

''(5) to assess the potential of advanced technologies for improving the assessment of high risk hazardous material carriers' compliance with motor carrier safety regulations.

''(b) TIMEFRAME.—The Secretary shall begin the study required by subsection (a) within 6 months after the date of enactment of the Intermodal Transportation Safety Act of 1997 and complete it within 30 months.

''(c) REPORT.—The Secretary shall report the findings of the study required by subsection (a), together with such recommendations as may be appropriate, within 36 months after the date of enactment of that Act.''.

(b) SECTION 5109 REGULATIONS TO REFLECT STUDY FINDINGS.—Section 5109(h) is amended by striking ''not later than November 16, 1991.'' and inserting ''based upon the findings of the study required by section 5128(a).''.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 51, as amended by section 315, is amended by striking the item relating to section 5128 and inserting the following:

''5128. High risk hazardous material; motor carrier safety study
''5129. Authorization of appropriations''.

SEC. 217. AUTHORIZATION OF APPROPRIATIONS.

Section 5129, as redesignated, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL.—There are authorized to be appropriated to the Secretary of Transportation to carry out this chapter (except sections 5107(e), 5108(g)(2), 5113, 5115, and 5116) not more than—

''(1) $15,492,000 for fiscal year 1998;
''(2) $16,000,000 for fiscal year 1999;
''(3) $16,500,000 for fiscal year 2000;
''(4) $17,000,000 for fiscal year 2001;
''(5) $17,500,000 for fiscal year 2002; and
''(6) $18,000,000 for fiscal year 2003.''; and

(2) by striking subsections (c) and (d) and inserting the following:

''(c) TRAINING CURRICULUM.—Not more than $200,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for each of the fiscal years ending September 30, 1999–2003, to carry out section 5115 of this title.

''(d) PLANNING AND TRAINING.—

(1) Not more than $2,444,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for the fiscal year ending September 30, 1998, and such sums as may be necessary for fiscal years 1999–2003, to carry out section 5116(a) of this title.

''(2) Not more than $3,666,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for the fiscal year ending September 30, 1998, and such sums as may be necessary for fiscal years 1999–2003, to carry out section 5116(b) of this title.

''(3) Not more than $600,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for the fiscal year ending September 30, 1998, and such sums as may be necessary for fiscal years 1999–2003, to carry out section 5116(f) of this title.''.

TITLE III—COMPREHENSIVE ONE-CALL NOTIFICATION

SEC. 301. FINDINGS.

The Congress finds that—

(1) unintentional damage to underground facilities during excavation is a significant cause of disruptions in telecommunications, water supply, electric power and other vital public services, such as hospital and air traffic control operations, and is a leading cause of natural gas and hazardous liquid pipeline accidents;

(2) excavation that is performed without prior notification to an underground facility operator or with inaccurate marking of such a facility prior to excavation can cause damage that results in fatalities, serious injuries, harm to the environment and disruption of vital services to the public; and

(3) protection of the public and the environment from the consequences of underground facility damage caused by excavations will be enhanced by a coordinated national effort to improve one-call notification programs in each State and the effectiveness and efficiency of one-call notification systems that operate under such programs.

SEC. 302. ESTABLISHMENT OF ONE-CALL NOTIFICATION PROGRAMS.

(a) IN GENERAL.—Subtitle III is amended by adding at the end thereof the following:

''Chapter 61. ONE-CALL NOTIFICATION PROGRAMS

''Sec.
''6101. Purposes
''6102. Definitions
''6103. Minimum standards for State one-call notification programs
''6104. Compliance with minimum standards
''6105. Review of one-call system best practices
''6106. Grants to States
''6107. Authorization of appropriations

''§ 6101. Purposes

''The purposes of this chapter are—

''(1) to enhance public safety;
''(2) to protect the environment;
''(3) to minimize risks to excavators; and
''(4) to prevent disruption of vital public services,

by reducing the incidence of damage to underground facilities during excavation through the adoption and efficient implementation by all States of State one-call notification programs that meet the minimum standards set forth under section 6103.

''§ 6102. Definitions

''For purposes of this chapter—

''(1) ONE-CALL NOTIFICATION SYSTEM.—The term ''one-call notification system'' means a system operated by an organization that has as one of its purposes to receive notification from excavators of intended excavation in a specified area in order to disseminate such notification to underground facility operators that are members of the system so that such operators can locate and mark their facilities in order to prevent damage to underground facilities in the course of such excavation.

''(2) STATE ONE-CALL NOTIFICATION PROGRAM.—The term ''State one-call notification program'' means the State statutes, regulations, orders, judicial decisions, and other elements of law and policy in effect in a State that establish the requirements for the operation of one-call notification systems in such State.

''(3) STATE.—The term 'State' means a State, the District of Columbia, and Puerto Rico.

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

''§ 6103. Minimum standards for State one-call notification programs

''(a) MINIMUM STANDARDS.—A State one-call notification program shall, at a minimum, provide for—

''(1) appropriate participation by all underground facility operators;

''(2) appropriate participation by all excavators; and

''(3) flexible and effective enforcement under State law with respect to participation in, and use of, one-call notification systems.

''(b) APPROPRIATE PARTICIPATION.—In determining the appropriate extent of participation required for types of underground facilities or excavators under subsection (a), a State shall assess, rank, and take into consideration the risks to the public safety, the environment, excavators, and vital public services associated with—

''(1) damage to types of underground facilities; and

''(2) activities of types of excavators.

''(c) IMPLEMENTATION.—A State one-call notification program also shall, at a minimum, provide for—

''(1) consideration of the ranking of risks under subsection (b) in the enforcement of its provisions;

''(2) a reasonable relationship between the benefits of one-call notification and the cost of implementing and complying with the requirements of the State one-call notification program; and

''(3) voluntary participation where the State determines that a type of underground facility or an activity of a type of excavator poses a *de minimis* risk to public safety or the environment.

''(d) PENALTIES.—To the extent the State determines appropriate and necessary to achieve the purposes of this chapter, a State one-call notification program shall, at a minimum, provide for—

''(1) administrative or civil penalties commensurate with the seriousness of a violation by an excavator or facility owner of a State one-call notification program;

''(2) increased penalties for parties that repeatedly damage underground facilities because they fail to use one-call notification systems or for parties that repeatedly fail to provide timely and accurate marking after the required call has been made to a one-call notification system;

''(3) reduced or waived penalties for a violation of a requirement of a State one-call notification program that results in, or could result in, damage that is promptly reported by the violator;

''(4) equitable relief; and

''(5) citation of violations.

''§ 6104. Compliance with minimum standards

''(a) REQUIREMENT.—In order to qualify for a grant under section 6106, each State shall, within 2 years after the date of the enactment of the Intermodal Transportation Safety Act of 1997, submit to the Secretary a grant application under subsection (b).

''(b) APPLICATION.—

''(1) Upon application by a State, the Secretary shall review that State's one-call notification program, including the provisions for implementation of the program and the record of compliance and enforcement under the program.

''(2) Based on the review under paragraph (1), the Secretary shall determine whether the State's one-call notification program meets the minimum standards for such a program set forth in section 6103 in order to qualify for a grant under section 6106.

''(3) In order to expedite compliance under this section, the Secretary may consult with the State as to whether an existing State one-call notification program, a specific modification thereof, or a proposed State program would result in a positive determination under paragraph (2).

''(4) The Secretary shall prescribe the form of, and manner of filing, an application under this section that shall provide sufficient information about a State's one-call notification program for the Secretary to evaluate its overall effectiveness. Such information may include the nature and reasons for exceptions from required participation,

the types of enforcement available, and such other information as the Secretary deems necessary.

''(5) The application of a State under paragraph (1) and the record of actions of the Secretary under this section shall be available to the public.

''(c) ALTERNATIVE PROGRAM—A State may maintain an alternative one-call notification program if that program provides protection for public safety, the environment, or excavators that is equivalent to, or greater than, protection under a program that meets the minimum standards set forth in section 6103.

''(d) REPORT—Within 3 years after the date of the enactment of the Intermodal Transportation Safety Act of 1997, the Secretary shall begin to include the following information in reports submitted under section 60124 of this title—

''(1) a description of the extent to which each State has adopted and implemented the minimum Federal standards under section 6103 or maintains an alternative program under subsection (c);

''(2) an analysis by the Secretary of the overall effectiveness of the State's one-call notification program and the one-call notification systems operating under such program in achieving the purposes of this chapter;

''(3) the impact of the State's decisions on the extent of required participation in one-call notification systems on prevention of damage to underground facilities; and

''(4) areas where improvements are needed in one-call notification systems in operation in the State.

The report shall also include any recommendations the Secretary determines appropriate. If the Secretary determines that the purposes of this chapter have been substantially achieved, no further report under this section shall be required.

''§ 6105. Review of one-call system best practices

''(a) STUDY OF EXISTING ONE-CALL SYSTEMS.—Except as provided in subsection (d), the Secretary, in consultation with other appropriate Federal agencies, State agencies, one-call notification system operators, underground facility operators, excavators, and other interested parties, shall undertake a study of damage prevention practices associated with existing one-call notification systems.

''(b) PURPOSE OF STUDY OF DAMAGE PREVENTION PRACTICES.—The purpose of the study is to assemble information in order to determine which existing one-call notification systems practices appear to be the most effective in preventing damage to underground facilities and in protecting the public, the environment, excavators, and public service disruption. As part of the study, the Secretary shall at a minimum consider—

''(1) the methods used by one-call notification systems and others to encourage participation by excavators and owners of underground facilities;

''(2) the methods by which one-call notification systems promote awareness of their programs, including use of public service announcements and educational materials and programs;

''(3) the methods by which one-call notification systems receive and distribute information from excavators and underground facility owners;

''(4) the use of any performance and service standards to verify the effectiveness of a one-call notification system;

''(5) the effectiveness and accuracy of mapping used by one-call notification systems;

''(6) the relationship between one-call notification systems and preventing intentional damage to underground facilities;

''(7) how one-call notification systems address the need for rapid response to situations where the need to excavate is urgent;

''(8) the extent to which accidents occur due to errors in marking of underground facilities, untimely marking or errors in the excavation process after a one-call notification system has been notified of an excavation;

''(9) the extent to which personnel engaged in marking underground facilities may be endangered;

''(10) the characteristics of damage prevention programs the Secretary believes could be relevant to the effectiveness of State one-call notification programs; and

''(11) the effectiveness of penalties and enforcement activities under State one-call notification programs in obtaining compliance with program requirements.

''(c) REPORT—Within 1 year after the date of the enactment of the Intermodal Transportation Safety Act of 1997, the Secretary shall publish a report identifying those practices of one-call notification systems that are the most and least successful in—

''(1) preventing damage to underground facilities; and

''(2) providing effective and efficient service to excavators and underground facility operators.

The Secretary shall encourage States and operators of one-call notification programs to adopt and implement the most successful practices identified in the report.

''(d) SECRETARIAL DISCRETION—Prior to undertaking the study described in subsection (a), the Secretary shall determine whether timely information described in subsection (b) is readily available. If the Secretary determines that such information is readily available, the Secretary is not required to carry out the study.

''§ 6106. Grants to States

''(a) IN GENERAL.—The Secretary may make a grant of financial assistance to a State that qualifies under section 6104(b) to assist in improving—

''(1) the overall quality and effectiveness of one-call notification systems in the State;

''(2) communications systems linking one-call notification systems;

''(3) location capabilities, including training personnel and developing and using location technology;

''(4) record retention and recording capabilities for one-call notification systems;

''(5) public information and education;

''(6) participation in one-call notification systems; or

''(7) compliance and enforcement under the State one-call notification program.

''(b) STATE ACTION TAKEN INTO ACCOUNT.—In making grants under this section the Secretary shall take into consideration the commitment of each State to improving its State one-call notification program, including legislative and regulatory actions taken by the State after the date of enactment of the Intermodal Transportation Safety Act of 1997.

''(c) FUNDING FOR ONE-CALL NOTIFICATION SYSTEMS.—A State may provide funds received under this section directly to any one-call notification system in such State that substantially adopts the best practices identified under section 6105.

''§ 6107. Authorization of appropriations

''(a) FOR GRANTS TO STATES.—There are authorized to be appropriated to the Secretary in fiscal year 1999 no more than $1,000,000 and in fiscal year 2000 no more than $5,000,000, to be available until expended, to provide grants to States under section 6106.

''(b) FOR ADMINISTRATION.—There are authorized to be appropriated to the Secretary such sums as may be necessary during fiscal years 1998, 1999, and 2000 to carry out sections 6103, 6104, and 6105.

''(c) GENERAL REVENUE FUNDING.—Any sums appropriated under this section shall be derived from general revenues and may not be derived from amounts collected under section 60301 of this title.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis of chapters for subtitle III is amended by adding at the end thereof the following:

''CHAPTER 61—ONE-CALL NOTIFICATION PROGRAM''.

(2) Chapter 601 of title 49, United States Code, is amended—

(A) by striking ''sections 60114 and'' in section 60105(a) of that chapter and inserting ''section'';

(B) by striking section 60114 and the item relating to that section in the table of sections for that chapter;

(C) by striking ''60114(c), 60118(a),'' in section 60122(a)(1) of that chapter and inserting ''60118(a),'';

(D) by striking ''60114(c) or'' in section 60123(a) of that chapter;

(E) by striking ''sections 60107 and 60114(b)'' in subsections (a) and (b) of section 60125 and inserting ''section 60107'' in each such subsection; and

(F) by striking subsection (d) of section 60125, and redesignating subsections (e) and (f) of that section as subsections (d) and (e).

TITLE IV—MOTOR CARRIER SAFETY

SEC. 401. STATEMENT OF PURPOSE.

Chapter 311 is amended—

(1) by inserting before section 31101 the following:

''§ 31100. Purpose

''The purposes of this subchapter are—

''(1) to improve commercial motor vehicle and driver safety;

''(2) to facilitate efforts by the Secretary, States, and other political jurisdictions, working in partnership, to focus their resources on strategic safety investments;

''(3) to increase administrative flexibility;

''(4) to strengthen enforcement activities;

''(5) to invest in activities related to areas of the greatest crash reduction;

''(6) to identify high risk carriers and drivers; and

''(7) to improve information and analysis systems.''; and

(2) by inserting before the item relating to section 31101 in the chapter analysis for chapter 311 the following:

''§ 31100. Purposes''.

SEC. 402. GRANTS TO STATES.

(a) PERFORMANCE-BASED GRANTS.—Section 31102 is amended—

(1) by inserting ''improving motor carrier safety and'' in subsection (a) after ''programs for''; and

(2) by striking ''adopt and assume responsibility for enforcing'' in the first sentence of paragraph (b)(1) and inserting ''assume responsibility for improving motor carrier safety and to adopt and enforce''.

(b) HAZARDOUS MATERIALS.—Section 31102 is amended—

(1) by inserting a comma and ''hazardous materials transportation safety,'' after ''commercial motor vehicle safety'' in subsection (a); and

(2) by inserting a comma and ''hazardous materials transportation safety,'' in the first sentence of subsection (b) after ''commercial motor vehicle safety''.

(c) CONTENTS OF STATE PLANS.—Section 31102(b)(1) is amended—

(1) by redesignating subparagraphs (A) through (Q) as subparagraphs (B) through (R), respectively;

(2) by inserting before subparagraph (B), as redesignated, the following:

''(A) implements performance-based activities by fiscal year 2000;''

(3) by inserting ''(1)'' in subparagraph (K), as redesignated, after ''(c)''; and

(4) by striking subparagraphs (L), (M), and (N) as redesignated, and inserting the following:

''(L) ensures consistent, effective, and reasonable sanctions;

''(M) ensures that the State agency will coordinate the plan, data collection, and information systems with the State highway safety programs under title 23;

''(N) ensures participation in SAFETYNET by all jurisdictions receiving funding;'';

(6) by striking ''activities—'' in subparagraph (P), as redesignated, and inserting ''activities in support of national priorities and performance goals including—'';

(7) by striking ''to remove'' in clause (i) of subparagraph (P), as redesignated, and inserting ''activities aimed at removing''; and

(8) by striking ''to provide'' in clause (ii) of subparagraph (P), as redesignated, and inserting ''activities aimed at providing''.

SEC. 403. FEDERAL SHARE.

Section 31103 is amended—

(1) by inserting before ''The Secretary of Transportation'' the following:

''(a) COMMERCIAL MOTOR VEHICLE SAFETY PROGRAMS AND ENFORCEMENT.—'';

(2) by inserting ''improve commercial motor vehicle safety and'' in the first sentence before ''enforce''; and

(3) by adding at the end the following:

''(b) OTHER ACTIVITIES.—The Secretary may reimburse State agencies, local governments, or other persons up to 100 percent for those activities identified in 31104(f)(2).''.

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 31104(a) is amended to read as follows:

''(a) GENERAL.—Subject to section 9503(c)(1) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(c)(1)), there are available from the Highway Trust Fund (except the Mass Transit Account) for the Secretary of Transportation to incur obligations to carry out section 31102 of this title, not more than—

''(1) $80,000,000 for the fiscal year ending September 30, 1998;

''(2) $82,000,000 for the fiscal year ending September 30, 1999;

''(3) $84,000,000 for the fiscal year ending September 30, 2000;

''(4) $86,000,000 for the fiscal year ending September 30, 2001;

''(5) $88,000,000 for the fiscal year ending September 30, 2002; and

''(6) $90,000,000 for the fiscal year ending September 30, 2003.''.

(b) AVAILABILITY AND REALLOCATION.—Section 31104(b)(2) is amended to read as follows:

''(2) Amounts made available under section 4002(e)(1) and (2) of the Intermodal Surface Transportation Efficiency Act of 1991 before October 1, 1996, that are not obligated on October 1, 1997, are available for obligation under paragraph (1) of this subsection.''.

(c) ALLOCATION CRITERIA.—Section 31104(f) is amended to read as follows:

''(f) ALLOCATION CRITERIA AND ELIGIBILITY.—

''(1) On October 1 of each fiscal year or as soon after that date as practicable, the Secretary, after making the deduction described in subsection (e) of this section, shall allocate, under criteria the Secretary prescribes through regulation, the amounts available for that fiscal year among the States with plans approved under section 31102 of this title.

''(2) The Secretary may designate—

''(A) no less than 5 percent of such amounts for activities and projects of national priority for the improvement of commercial motor vehicle safety; and

''(B) no less than 5 percent of such amounts to reimburse States for border commercial motor vehicle safety programs and enforcement activities and projects. These amounts shall be allocated by the Secretary to State agencies and local governments that use trained and qualified officers and employees in coordination with State motor vehicle safety agencies.''.

(d) OTHER AMENDMENTS.—

(1) Section 31104 is amended by striking subsection (g) and redesignating subsection (h) as subsection (g).

(2) Section 31104 is amended by striking subsection (i) and redesignating subsection (j) as subsection (h).

SEC. 405. INFORMATION SYSTEMS AND STRATEGIC SAFETY INITIATIVES.

Section 31106 is amended to read as follows:

''§ 31106. Information Systems and Strategic Safety Initiatives.

''(a) INFORMATION SYSTEMS.—

''(1) IN GENERAL.—The Secretary is authorized to establish motor carrier information systems and data analysis programs to support motor carrier regulatory and enforcement activities required under this title. In cooperation with the States, the information systems shall be coordinated into a network providing identification of motor carriers and drivers, registration and licensing tracking, and motor carrier and driver safety performance. The Secretary shall develop and maintain data analysis capacity and programs to provide the means to develop strategies to address safety problems and to use data analysis to measure the effectiveness of these strategies and related programs; to determine the cost effectiveness of State and Federal safety compliance, enforcement programs, and other countermeasures; to evaluate the safety fitness of motor carriers and drivers; to identify and collect necessary data; and to adapt, improve, and incorporate other information and information systems as deemed appropriate by the Secretary.

''(2) PERFORMANCE AND REGISTRATION INFORMATION SYSTEMS MANAGEMENT—

''(A) The Secretary shall include, as part of the motor carrier safety information network system of the Department of Transportation, an information system, to be called the Performance and Registration Information Systems Management, to serve as a clearinghouse and repository of information related to State registration and licensing of commercial motor vehicles and the safety system of the commercial motor vehicle registrants or the motor carriers operating the vehicles. The Secretary may include in the system information on the safety fitness of each of the motor carriers and registrants and other information the Secretary considers appropriate, including information on vehicle, driver, and motor carrier safety performance.

''(B) The Secretary shall prescribe technical and operational standards to ensure—

''(i) uniform, timely and accurate information collection and reporting by the States necessary to carry out this system;

''(ii) uniform State and Federal procedures and policies necessary to operate the Commercial Vehicle Information System; and

''(iii) the availability and reliability of the information to the States and the Secretary from the information system.

''(C) The system shall link the Federal motor carrier safety systems with State driver and commercial vehicle registration and licensing systems, and shall be designed—

''(i) to enable a State, when issuing license plates or throughout the registration period for a commercial motor vehicle, to determine, through the use of the information system, the safety fitness of the registrant or motor carrier;

''(ii) to allow a State to decide, in cooperation with the Secretary, the types of sanctions that may be imposed on the registrant or motor carrier, or the types of conditions or limitations that may be imposed on the operations of the registrant or motor carrier that will ensure the safety fitness of the registrant or motor carrier;

''(iii) to monitor the safety fitness of the registrant or motor carrier during the registration period; and

''(iv) to require the State, as a condition of participation in the system, to implement uniform policies, procedures, and standards, and to possess or seek authority to impose commercial motor vehicle registration sanctions on the basis of a Federal safety fitness determination.

''(D) Of the amounts available for expenditure under this section, up to 50 percent in each of fiscal years 1998, 1999, 2000, 2001, 2002, and 2003 may be made available to carry out paragraph (a)(2) of this section. The Secretary may authorize the operation of the information system by contract, through an agreement with one or more States, or by designating, after consultation with the States, a third party that represents the interests of the States. Of the amounts made available to carry out subsection (a)(2) of this section, the Secretary is encouraged to direct no less than 80 percent to States that have not previously received financial assistance to develop or implement the Performance and Registration Information Systems Management system.

''(b) COMMERCIAL MOTOR VEHICLE DRIVER SAFETY PROGRAM.—The Secretary is authorized to establish a program focusing on improving commercial motor vehicle driver safety. The objectives of the program shall include—

''(1) enhancing the exchange of driver licensing information among the States and among the States, the Federal Government, and foreign countries;

''(2) providing information to the judicial system on the commercial motor vehicle driver licensing program; and

''(3) evaluating any aspect of driver performance and safety as deemed appropriate by the Secretary.

''(c) COOPERATIVE AGREEMENTS, GRANTS, AND CONTRACTS.—The Secretary may carry out this section either independently or in cooperation with other Federal departments, agencies, and instrumentalities, or by making grants to and entering into contracts and cooperative agreements with States, localities, associations, institutions, corporations (profit or nonprofit) or other persons.''.

SEC. 406. IMPROVED FLOW OF DRIVER HISTORY PILOT PROGRAM.

The Secretary of Transportation shall carry out a pilot program in cooperation with one or more States to improve upon the timely exchange of pertinent driver performance and safety records data to motor carriers. The program shall—

(1) determine to what extent driver performance records data, including relevant fines, penalties, and failures to appear for a hearing or trial, should be included as part of any information systems under the Department of Transportation's oversight;

(2) assess the feasibility, costs, safety impact, pricing impact, and benefits of record exchanges; and

(3) assess methods for the efficient exchange of driver safety data available from existing State information systems and sources.

SEC. 407. MOTOR CARRIER AND DRIVER SAFETY RESEARCH.

Of the funds made available to carry out programs established by the amendments made by title II of the Intermodal Surface Transportation Efficiency Act of 1997, no less than $10,000,000 shall be made available for each of fiscal years 1998, 1999, 2000, 2001, 2002, and 2003 for activities designed to advance commercial motor vehicle and driver safety. Any obligation, contract, cooperative agreement, or support granted under this section in excess of $250,000 shall be awarded on a competitive basis. The Secretary shall submit annually a report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure on the research activities carried out under this section, including the amount, purpose, recipient and nature of each contract, cooperative agreement or award and results of such research activities carried out under this section, including benefits to motor carrier safety.''.

SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

Section 31107 is amended to read as follows:

''§ 31107. Authorization of appropriations for information systems and strategic safety initiatives.

''There shall be available from the Highway Trust Fund (other than the Mass Transit Account) for the Secretary to incur obligations to carry out section 31106 of this title the sum of $10,000,000 for each of the fiscal years 1998, 1999, 2000, 2001, 2002, and 2003. The amounts made available under this subsection shall remain available until expended.''.

SEC. 409. CONFORMING AMENDMENTS.

The chapter analysis for chapter 311 is amended—

(1) by striking the heading for subchapter I and inserting the following:

''SUBCHAPTER I. STATE GRANTS AND OTHER COMMERCIAL MOTOR VEHICLE PROGRAMS.'';

and

(2) by striking the items relating to sections 31106 and 31107 and inserting the following:

''31106. Information systems and strategic safety initiatives

''31107. Authorization of appropriations for information systems and strategic safety initiatives''.

SEC. 410. AUTOMOBILE TRANSPORTER DEFINED.

Section 31111(a) is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(2) by inserting before paragraph (2), as redesignated, the following:

''(1) 'automobile transporter' means any vehicle combination designed and used specifically for the transport of assembled highway vehicles, including truck camper units.''.

SEC. 411. REPEAL OF REVIEW PANEL; REVIEW PROCEDURE.

(a) REPEAL.—Subchapter III of chapter 311 is amended—

(1) by striking sections 31134 and 31140; and

(2) by striking the items relating to sections 31134 and 31140 in the chapter analysis for that chapter.

(b) REVIEW PROCEDURE.—

(1) IN GENERAL.—Section 31141 is amended—

(A) by striking subsection (b) and redesignating subsections (c), (d), (e), (f), (g), and (h) as subsections (b), (c), (d), (e), (f), and (g), respectively;

(B) by striking so much of subsection (b), as redesignated, as precedes paragraph (2) and inserting the following:

''(b) REVIEW AND DECISIONS BY THE SECRETARY.—

''(1) The Secretary shall review the laws and regulations on commercial motor vehicle safety in effect in each State, and decide—

''(A) whether the State law or regulation—

''(i) has the same effect as a regulation prescribed by the Secretary under section 31136 of this title;

''(ii) is less stringent than that regulation; or

''(iii) is additional to or more stringent than that regulation; and

''(B) for each State law or regulation which is additional to or more stringent than the regulation prescribed by the Secretary, whether—

''(i) the State law or regulation has no safety benefit;

''(ii) the State law or regulation is incompatible with the regulation prescribed by the Secretary under section 31136 of this title; or

''(iii) enforcement of the State law or regulation would cause an unreasonable burden on interstate commerce.'';

(C) by striking paragraph (5) of subsection (b)(5), as redesignated, and inserting the following:

''(5) In deciding under paragraph (4) of this subsection whether a State law or regulation will cause an unreasonable burden on interstate commerce, the Secretary may consider the effect on interstate commerce of implementation of all similar laws and regulations of other States.'';

(D) by striking subsections (d) and (e), as redesignated, and inserting the following:

''(d) WRITTEN NOTICE OF DECISIONS.—The Secretary shall give written notice of the decision under subsection (b) of this section to the State concerned.''; and

(E) by redesignating subsections (f) and (g), as redesignated, as subsections (e) and (f), respectively.

(2) CONFORMING CHANGES.—

(A) The caption of section 31141 of such title is amended to read as follows:

''§ 31141. Preemption of State laws and regulations''.

(B) The chapter analysis of chapter 311 of such title is amended by striking the item relating to section 31141 and inserting the following:

''31141. Preemption of State laws and regulations''.

(d) INSPECTION OF VEHICLES.—

(1) Section 31142 is amended—

(A) by striking ''part 393 of title 49, Code of Federal Regulations'' in subsection (a) and inserting ''regulations issued pursuant to section 31135 of this title''; and

(B) by striking subsection (c)(1)(C) and inserting the following:

''(C) prevent a State from participating in the activities of a voluntary group of States enforcing a program for inspection of commercial motor vehicles; or''.

(2) Subchapter IV of chapter 311 is amended—

(A) by striking sections 31161 and 31162; and

(B) by striking the items relating to sections 31161 and 31162 in the chapter analysis for that chapter.

(3) Section 31102(b)(1) is amended—

(A) by striking ''and'' at the end of subparagraph (P);

(B) by striking ''thereunder.'' in subparagraph (Q) and inserting ''thereunder; and''; and

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

''(R) provides that the State will establish a program (i) to ensure the proper and timely correction of commercial motor vehicle safety violations noted during an inspection carried out with funds authorized under section 31104 of this title; and (ii) to ensure that information is exchanged among the States in a timely manner.''.

(e) SAFETY FITNESS OF OWNERS AND OPERATORS.—Section 31144 is amended to read as follows:

''§ 31142. Safety fitness of owners and operators

''(a) PROCEDURE.—The Secretary of Transportation shall maintain in regulation a procedure for determining the safety fitness of owners and operators of commercial motor vehicles, including persons seeking new or additional operating authority as motor carriers under section 13902 of this title. The procedure shall include—

''(1) specific initial and continuing requirements to be met by the owners, operators, and other persons to demonstrate safety fitness;

''(2) a means of deciding whether the owners, operators, or other persons meet the safety requirements under paragraph (1) of this subsection; and

''(3) specific time deadlines for action by the Secretary in making fitness decisions.

''(b) PROHIBITED TRANSPORTATION.—Except as provided in sections 521(b)(5)(A) and 5113 of this title, a motor carrier that fails to meet the safety fitness requirements established under subsection (a) of this section may not operate in interstate commerce beginning on the 61st day after the date of the determination by the Secretary that the motor carrier fails to meet the safety fitness requirements and until the motor carrier meets the safety fitness requirements. The Secretary may, for good cause shown, provide a carrier with up to an additional 60 days to meet the safety fitness requirements.

''(c) RATING REVIEW.—The Secretary shall review the factors that resulted in a motor carrier failing to meet the safety fitness requirements not later than 45 days after the motor carrier requests a review.

''(d) GOVERNMENT USE PROHIBITED.—A department, agency, or instrumentality of the United States Government may not use a motor carrier that does not meet the safety fitness requirements.

''(e) PUBLIC AVAILABILITY; UPDATING OF FITNESS DETERMINATIONS.—The Secretary shall amend the motor carrier safety regulations in subchapter B of chapter III of title 49, Code of Federal Regulations, to establish a system to make readily available to the public, and to update periodically, the safety fitness determinations of motor carriers made by the Secretary.

''(f) PENALTIES.—The Secretary shall prescribe regulations setting penalties for violations of this section consistent with section 521 of this title.''.

(f) SAFETY FITNESS OF PASSENGER AND HAZARDOUS MATERIAL CARRIERS.—

(1) IN GENERAL.—Section 5113 is amended—

(A) by striking subsection (a) and inserting the following:

''(a) PROHIBITED TRANSPORTATION.—

''(1) A motor carrier that fails to meet the safety fitness requirements established under subsection 31144(a) of this title may not operate a commercial motor vehicle (as defined in section 31132 of this title)—

''(A) to transport hazardous material for which placarding of a motor vehicle is required under regulations prescribed under this chapter; or

''(B) to transport more than 15 individuals.

''(2) The prohibition in paragraph (1) of this subsection applies beginning on the 46th day after the date on which the Secretary determines that a motor carrier fails to meet the safety fitness requirements and applies until the motor carrier meets the safety fitness requirements.'';

(B) by striking ''RATING'' in the caption of subsection (b) and inserting ''FITNESS'';

(C) by striking ''receiving an unsatisfactory rating'' in subsection (b) and inserting ''failing to meet the safety fitness requirements'';

(D) by striking ''has an unsatisfactory rating from the Secretary'' in subsection (c) and -

inserting ''failed to meet the safety fitness requirements''; and

(E) by striking ''RATINGS'' in the caption of subsection (d) and inserting ''FITNESS DETERMINATIONS'';

(F) by striking '', in consultation with the Interstate Commerce Commission,'' in subsection (d); and

(G) by striking ''ratings of motor carriers that have unsatisfactory ratings from'' in subsection (d) and inserting ''fitness determinations of motor carriers made by''.

(2) CONFORMING AMENDMENTS.—

(A) The caption of section 5113 of such chapter is amended to read as follows:

''§ 5113. Safety fitness of passenger and hazardous material carriers''.

(B) The chapter analysis for such chapter is amended by striking the item relating to section 5113 and inserting the following:

''5113. Safety fitness of passenger and hazardous material carriers''.

(g) DEFINITIONS.—

(1) Section 31101(1) is amended—

(A) by inserting ''or gross vehicle weight, whichever is greater,'' after ''rating''in subparagraph (A);

(ii) by striking ''10,000'' and inserting ''10,001'';

(B) by striking ''driver; or'' in subparagraph (B) and inserting ''driver, or a smaller number of passengers including the driver as determined under regulations implementing sections 31132(1)(B) or 31301(4)(B)'';

(C) by inserting ''and transported in a quantity requiring placarding under regulations prescribed by the Secretary under section 5103'' after ''title'' in subparagraph (C).

(2) Section 31132 is amended—

(A) by inserting ''or gross vehicle weight, whichever is greater,'' after ''rating'' in paragraph (1)(A); and

(B) by adding at the end of paragraph (3) the following:

''For purposes of this paragraph, the term 'business affecting interstate commerce' means a business predominantly engaged in employing commercial motor vehicles in interstate commerce and includes all operations of the business in intrastate commerce which use vehicles otherwise defined as commercial motor vehicles under paragraph (1) of this section.''.

(h) EMPLOYEE PROTECTIONS.—Not later than 2 years after the date of enactment of this Act, the Secretary of Transportation, in conjunction with the Secretary of Labor, shall report to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committee on Transportation and Infrastructure on the effectiveness of existing statutory employee protections provided for under section 31105 of title 49, United States Code. The report shall include recommendations to address any statutory changes as may be necessary to strengthen the enforcement of such employee protection provisions.

(i) INSPECTIONS AND REPORTS.—

(1) GENERAL POWERS OF THE SECRETARY.—Section 31133(a)(1) is amended by inserting ''and make contracts for'' after ''conduct''.

(2) REPORTS AND RECORDS.—Section 504(c) is amended by inserting ''(and, in the case of a motor carrier, a contractor)'' before the second comma.

SEC. 412. COMMERCIAL MOTOR VEHICLE OPERATORS.

(a) REPEAL OF OBSOLETE GRANT PROGRAMS.—Chapter 313 is amended—

(1) by striking sections 31312 and 31313; and

(2) by striking the items relating to sections 31312 and 31313 in the chapter analysis for that chapter.

(b) COMMERCIAL DRIVER'S LICENSE REQUIREMENT.—

(1) IN GENERAL.—Section 31302 is amended to read as follows:

''§ 31302. Commercial driver's license requirement

''No individual shall operate a commercial motor vehicle without a commercial driver's license issued according to section 31308 of this title.''.

(2) CONFORMING AMENDMENTS.—

(A) The chapter analysis for that chapter is amended by striking the item relating to section 31302 and inserting the following:

''31302. Commercial driver's license requirement''.

(B) Section 31305(a) is amended by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively, and by inserting after paragraph (1) the following:

''(2) may establish performance based testing and licensing standards that more accurately measure and reflect an individual's knowledge and skills as an operator;''.

(c) COMMERCIAL DRIVER'S LICENSE INFORMATION SYSTEM.—Section 31309 is amended—

(1) by striking ''make an agreement under subsection (b) of this section for the operation of, or establish under subsection (c) of this section,'' in subsection (a) and inserting ''maintain'';

(2) by striking subsections (b) and (c) and redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d) respectively;

(3) by striking ''Not later than December 31, 1990, the'' in paragraph (2) of subsection (b), as redesignated, and inserting ''The''; and

(4) by inserting after the caption of subsection (c), as redesignated, the following: ''Information about a driver in the information system may be made available under the following circumstances:''; and

(5) by starting a new paragraph with ''(1) On request'' and indenting the paragraph 2 ems from the lefthand margin.

(d) REQUIREMENTS FOR STATE PARTICIPATION.—Section 31311(a) is amended—

(1) by striking ''31310(b)-(e)'' in paragraph (15) and inserting ''31310(b)-(e), and (g)(1)(A) and (2)'';

(2) by striking paragraph (17); and

(3) by redesignating paragraph (18) as paragraph (17).

(e) WITHHOLDING AMOUNTS FOR STATE NONCOMPLIANCE.—Section 31314 is amended—

(1) by striking '', (2), (5), and (6)'' and inserting ''(3), and (5)''; and

(2) by striking ''1992'' in subsections (a) and (b) and inserting ''1995'';

(3) by striking paragraph (1) of subsection (c);

(4) by striking ''(2)'' in subsection (c)(2);

(5) by striking subsection (d); and

(6) by redesignating subsection (e) as subsection (d).

(f) COMMERCIAL MOTOR VEHICLE DEFINED.—Section 31301 is amended—

(1) by inserting ''or gross vehicle weight, whichever is greater,'' after ''rating'' each place it appears in paragraph (4)(A); and

(2) by inserting ''is'' in paragraph (4)(C)(ii) before ''transporting'' each place it appears and before ''not otherwise''.

(g) SAFETY PERFORMANCE HISTORY OF NEW DRIVERS; LIMITATION ON LIABILITY.—

(1) IN GENERAL.—Chapter 5 is amended by adding at the end thereof the following:

''§ 508. Safety performance history of new drivers; limitation on liability

''(a) LIMITATION ON LIABILITY.—No action or proceeding for defamation, invasion of privacy, or interference with a contract that is based on the furnishing or use of safety performance records in accordance with regulations issued by the Secretary may be brought against—

''(1) a motor carrier requesting the safety performance records of an individual under consideration for employment as a commercial motor vehicle driver as required by and in accordance with regulations issued by the Secretary;

''(2) a person who has complied with such a request; or

''(3) the agents or insurers of a person described in paragraph (1) or (2) of this subsection.

''(b) RESTRICTIONS.—

''(1) Subsection (a) does not apply unless—

''(A) the motor carrier requesting the safety performance records at issue, the person complying with such a request, and their agents have taken all precautions reasonably necessary to ensure the accuracy of the records and have fully complied with the regulations issued by the Secretary in using and furnishing the records, including the requirement that the individual who is the subject of the records be afforded a reasonable opportunity to review and comment on the records;

''(B) the motor carrier requesting the safety performance records, the person complying with such a request, their agents, and their insurers, have taken all precautions reasonably necessary to protect the records from disclosure to any person, except for their insurers, not directly involved in forwarding the records or deciding whether to hire that individual; and

''(C) the motor carrier requesting the safety performance records has used those records only to assess the safety performance of the individual who is the subject of those records in deciding whether to hire that individual.

''(2) Subsection (a) does not apply to persons who knowingly furnish false information.

''(c) PREEMPTION OF STATE AND LOCAL LAW.—No State or political subdivision thereof may enact, prescribe, issue, continue in effect, or enforce any law (including any regulation, standard, or other provision having the force and effect of law) that prohibits, penalizes, or imposes liability for furnishing or using safety performance records in accordance with regulations issued by the Secretary. Notwithstanding any provision of law, written authorization shall not be required to obtain information on the motor vehicle driving record of an individual under consideration for employment with a motor carrier.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for that chapter is amended by inserting after the item relating to section 507 the following:

''508. Safety performance history of new drivers; limitation on liability''.

SEC. 413. PENALTIES.

(a) NOTIFICATION OF VIOLATIONS AND ENFORCEMENT PROCEDURES.—Section 521(b)(1) is amended—

(1) by inserting: ''with the exception of reporting and recordkeeping violations,''in the first sentence of subparagraph (A) after ''under any of those provisions,'';

(2) by striking ''fix a reasonable time for abatement of the violation,'' in the third sentence of subparagraph (A);

(3) by striking ''(A)'' in subparagraph (A); and

(4) by striking subparagraph (B).

(b) CIVIL PENALTIES.—Section 521(b)(2) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—Except as otherwise provided in this subsection, any person who is determined by the Secretary, after notice and opportunity for a hearing, to have committed an act which is a violation of regulations issued by the Secretary under subchapter III of chapter 311 (except sections 31137 and 31138) or section 31502 of this title

shall be liable to the United States for a civil penalty in an amount not to exceed $10,000 for each offense. Notwithstanding any other provision of this section (except subparagraph (C)), no civil penalty shall be assessed under this section against an employee for a violation in an amount exceeding $2,500.'';

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting after subparagraph (A) the following:

''(B) RECORDKEEPING AND REPORTING VIOLATIONS.—

''(i) A person required to make a report to the Secretary, answer a question, or make, prepare, or preserve a record under section 504 of this title or under any regulation issued by the Secretary pursuant to subchapter III of chapter 311 (except sections 31137 and 31138) or section 31502 of this title about transportation by motor carrier, motor carrier of migrant workers, or motor private carrier, or an officer, agent, or employee of that person, who—

''(I) does not make that report;

''(II) does not specifically, completely, and truthfully answer that question in 30 days from the date the Secretary requires the question to be answered; or

''(III) does not make, prepare, or preserve that record in the form and manner prescribed by the Secretary,

shall be liable to the United States for a civil penalty in an amount not to exceed $500 for each offense, and each day of the violation shall constitute a separate offense, except that the total of all civil penalties assessed against any violator for all offenses related to any single violation shall not exceed $5,000.

''(ii) Any such person, or an officer, agent, or employee of that person, who—

''(I) knowingly falsifies, destroys, mutilates, or changes a required report or record;

''(II) knowingly files a false report with the Secretary;

''(III) knowingly makes or causes or permits to be made a false or incomplete entry in that record about an operation or business fact or transaction; or

''(IV) knowingly makes, prepares, or preserves a record in violation of a regulation or order of the Secretary,

shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each violation, provided that any such action can be shown to have misrepresented a fact that constitutes a violation other than a reporting or recordkeeping violation.''.

SEC. 414. INTERNATIONAL REGISTRATION PLAN AND INTERNATIONAL FUEL TAX AGREEMENT.

Chapter 317 is amended—

(1) by striking sections 31702, 31703, and 31708; and

(2) by striking the items relating to sections 31702, 31703, and 31708 in the chapter analysis for that chapter.

SEC. 415. STUDY OF ADEQUACY OF PARKING FACILITIES.

The Secretary shall conduct studies to determine the location and quantity of parking facilities at commercial truck stops and travel plazas and public rest areas that could be used by motor carriers to comply with Federal hours-of-service rules. Each study shall include an inventory of current facilities serving corridors of the National Highway System, analyze where specific shortages exist or are projected to exist, and propose a specific plan to reduce the shortages. The studies may be carried out in cooperation with research entities representing the motor carrier and travel plaza industry. The studies shall be completed no later than 36 months after enactment of this Act.

SEC. 416. NATIONAL MINIMUM DRINKING AGE—TECHNICAL CORRECTIONS.

Section 158 of title 23, United States Code, is amended —

(1) by striking ''104(b)(2), 104(b)(5), and 104(b)(6)'' each place it appears in subsection (a) and inserting ''104(b)(3), and 104(b)(5)(B)''; and

(2) by striking subsection (b) and inserting the following:

''(b) AVAILABILITY OF WITHHELD FUNDS.—No funds withheld under this section from apportionment to any State after September 31, 1988, shall be available for apportionment to such State.''.

SEC. 417. APPLICATION OF REGULATIONS.

(a) APPLICATION OF REGULATIONS TO CERTAIN COMMERCIAL MOTOR VEHICLES.—Section 31135 as redesignated, is amended by adding at the end thereof the following:

''(g) APPLICATION TO CERTAIN VEHICLES.—Effective 12 months after the date of enactment of the Intermodal Transportation Safety Act of 1997, regulations prescribed under this section shall apply to operators of commercial motor vehicles described in section 31132(1)(B) to the extent that those regulations did not apply to those operators before the day that is 12 months after such date of enactment, except to the extent that the Secretary determines, through a rulemaking proceeding, that it is appropriate to exempt such operations of commercial motor vehicles from the application of those regulations.''.

(b) DEFINITION.—Section 31301(4)(B) is amended to read as follows:

''(B) is designed or used to transport—

''(i) passengers for compensation, but does not include a vehicle providing taxicab service and having a capacity of not more than 6 passengers and not operated on a regular route or between specified places; or

''(ii) more than 15 passengers, including the driver, and not used to transport passengers for compensation; or''.

(c) APPLICATION OF REGULATIONS TO CERTAIN OPERATORS.—

(1) Chapter 313 is amended by adding at the end thereof the following:

''§ 31318. Application of regulations to certain operators

''Effective 12 months after the date of enactment of the Intermodal Transportation Safety Act of 1997, regulations prescribed under this chapter shall apply to operators of commercial motor vehicles described in section 31301(4)(B) to the extent that those regulations did not apply to those operators before the day that is 1 year after such date of enactment, except to the extent that the Secretary determines, after notice and opportunity for public comment, that it is appropriate to exempt such operators of commercial motor vehicles from the application of those regulations.''.

(d) DEADLINE FOR CERTAIN DEFINITIONAL REGULATIONS.—The Secretary shall issue regulations implementing the definition of commercial motor vehicles under section 31132(1)(B) and section 31301(4)(B) of title 49, United States Code, as amended by this Act within 12 months after the date of enactment of this Act.

SEC. 418. AUTHORITY OVER CHARTER BUS TRANSPORTATION.

Section 14501(a) is amended—

(1) by striking ''route or relating'' and inserting ''route;''; and

(2) by striking ''required.'' and inserting ''required; or to the authority to provide intrastate or interstate charter bus transportation.''.

SEC. 419. FEDERAL MOTOR CARRIER SAFETY INVESTIGATIONS.

The Department of Transportation shall maintain the level of Federal motor carrier safety investigators for border commercial vehicle inspections as in effect on September 30, 1997, or provide for alternative resources and mechanisms to ensure an equivalent level of commercial motor vehicle safety inspections. Such funds as are necessary to carry out this section shall be made available within the limitation on general operating expenses of the Department of Transportation.

SEC. 420. FOREIGN MOTOR CARRIER SAFETY FITNESS.

(a) IN GENERAL.—No later than 90 days after enactment of this Act, the Secretary of Transportation shall make a determination regarding the willingness and ability of any foreign motor carrier, the application for which has not been processed due to the moratorium on the granting of authority to foreign carriers to operate in the United States, to meet the safety fitness and other regulatory requirements under this title.

(b) REPORT.—Within 120 days after the date of enactment this Act, the Secretary of Transportation shall submit a report to the Senate Commerce, Science, and Transportation Committee and the House Transportation and Infrastructure Committee on the application of section 13902(c)(9) of title 49, United States Code. The report shall include—

(1) any findings made by the Secretary under subsection (a);

(2) information on which carriers have applied to the Department of Transportation under that section; and

(3) a description of the process utilized to respond to such applications and to certify the safety fitness of those carriers.

SEC. 421. COMMERCIAL MOTOR VEHICLE SAFETY ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of Transportation may establish a Commercial Motor Vehicle Safety Advisory Committee to provide advice and recommendations on a range of regulatory issues. The members of the advisory committee shall be appointed by the Secretary from among individuals affected by rulemakings under consideration by the Department of Transportation.

(b) FUNCTION.—The Advisory Committee established under subsection (a) shall provide advice to the Secretary on commercial motor vehicle safety regulations and assist the Secretary in timely completion of ongoing rulemakings by utilizing negotiated rulemaking procedures.

SEC. 422. WAIVERS; EXEMPTIONS; PILOT PROGRAMS.

(a) WAIVERS, EXEMPTIONS, AND PILOT PROGRAMS FOR CHAPTER 311.—Section 31136(e) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (5) and (6); and

(2) by striking the subsection caption and paragraph (1) and inserting the following:

''(e) WAIVERS, EXEMPTIONS, AND PILOT PROGRAMS.—

''(1) IN GENERAL.—The Secretary shall, by regulation promulgated after notice and an opportunity for public comment and within 180 days after the date of enactment of the Intermodal Transportation Safety Act of 1997, establish procedures by which waivers, exemptions, and pilot programs under this section may be initiated. The regulation shall provide—

''(A) a process for the issuance of waivers or exemptions from any part of a regulation prescribed under this section; and

''(B) procedures for the conduct of pilot projects or demonstration programs to support the appropriateness of regulations, enforcement policies, waivers, or exemptions under this section.

''(2) WAIVERS.—The Secretary may grant a waiver that relieves a person from compliance in whole or in part with a regulation issued under this section if the Secretary determines that it is in the public interest to grant the waiver and that the waiver is likely to achieve a level of safety that is equivalent to, or greater than, the level of safety that would obtain in the absence of the waiver—

''(A) for a period not in excess of 3 months;

''(B) limited in scope and circumstances;

''(C) for non-emergency and unique events; and

''(D) subject to such conditions as the Secretary may impose.

''(3) Exemptions.—The Secretary may grant an exemption in whole or in part from a regulation issued under this section to a class of persons, vehicles, or circumstances if the Secretary determines, after notice and opportunity for public comment, that it is in the public interest to grant the exemption and that the exemption is likely to achieve a level of safety that is equivalent to, or greater than, the level of safety that would obtain in the absence of the exemption. An exemption granted under this paragraph shall be in effect for a period of not more than 2 years, but may be renewed by the Secretary after notice and opportunity for public comment if the Secretary determines, based on the safety impact and results of the first 2 years of an exemption, that the extension is in the public interest and that the extension of the exemption is likely to achieve a level of safety that is equivalent to, or greater than, the level of safety that would obtain in the absence of the extension.

''(4) PILOT PROGRAMS.—

''(A) IN GENERAL.—In carrying out this section, the Secretary is authorized to carry out pilot programs to examine innovative approaches or alternatives to regulations issued under this title.

''(B) REQUIREMENT FOR APPROVAL.—In carrying out a pilot project under this paragraph, the Secretary shall require, as a condition of approval of the project, that the safety measures in the project are designed to achieve a level of safety that is equivalent to, or greater than, the level of safety that would otherwise be achieved through compliance with the standards prescribed under this title.

''(C) EXEMPTIONS.—A pilot project under this paragraph—

''(i) may exempt a motor carrier under the project from any requirement (or portion thereof) imposed under this title; and

''(ii) shall preempt any State or local regulation that conflicts with the pilot project during the time the pilot project is in effect.

''(D) REVOCATION OF EXEMPTION.—The Secretary shall revoke an exemption granted under subparagraph (C) if—

''(i) the motor carrier to which it applies fails to comply with the terms and conditions of the exemption; or

''(ii) the Secretary determines that the exemption has resulted in a lower level of safety than was maintained before the exemption was granted.''.

(b) WAIVERS, EXEMPTIONS, AND PILOT PROGRAMS FOR CHAPTER 313.—Section 31315 is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''After notice''; and

(2) by adding at the end thereof the following:

''(b) WAIVERS, EXEMPTIONS, AND PILOT PROGRAMS.—

''(1) IN GENERAL.—The Secretary shall, by regulation promulgated after notice and an opportunity for public comment and within 180 days after the date of enactment of the Intermodal Transportation Safety Act of 1997, establish procedures by which waivers, exemptions, and pilot programs under this section may be initiated. The regulation shall provide—

''(A) a process for the issuance of waivers or exemptions from any part of a regulation prescribed under this section; and

''(B) procedures for the conduct of pilot projects or demonstration programs to support the appropriateness of regulations, enforcement policies, or exemptions under this section.

''(2) WAIVERS.—The Secretary may grant a waiver that relieves a person from compliance in whole or in part with a regulation issued under this section if the Secretary determines that it is in the public interest to grant the waiver and that the waiver is likely to achieve a level of safety that is equivalent to, or greater than, the level of safety that would obtain in the absence of the waiver—

''(A) for a period not in excess of 3 months;

''(B) limited in scope and circumstances;

''(C) for non-emergency and unique events; and

''(D) subject to such conditions as the Secretary may impose.

''(3) Exemptions.—The Secretary may grant an exemption in whole or in part from a regulation issued under this section to a class of persons, vehicles, or circumstances if the Secretary determines, after notice and opportunity for public comment, that it is in the public interest to grant the exemption and that the exemption is likely to achieve a level of safety that is equivalent to, or greater than, the level of safety that would obtain in the absence of the exemption. An exemption granted under this paragraph shall be in effect for a period of not more than 2 years, but may be renewed by the Secretary after notice and opportunity for public comment if the Secretary determines, based on the safety impact and results of the first 2 years of an exemption, that the extension is in the public interest and that the extension of the exemption is likely to achieve a level of safety that is equivalent to, or greater than, the level of safety that would obtain in the absence of the extension.

''(4) PILOT PROGRAMS.—

''(A) IN GENERAL.—In carrying out this section, the Secretary is authorized to carry out pilot programs to examine innovative approaches or alternatives to regulations issued under this title.

''(B) REQUIREMENT FOR APPROVAL.—In carrying out a pilot project under this paragraph, the Secretary shall require, as a condition of approval of the project, that the safety measures in the project are designed to achieve a level of safety that is equivalent to, or greater than, the level of safety that would otherwise be achieved through compliance with the standards prescribed under this title.

''(C) EXEMPTIONS.—A pilot project under this paragraph—

''(i) may exempt a motor carrier under the project from any requirement (or portion thereof) imposed under this title; and

''(ii) shall preempt any State or local regulation that conflicts with the pilot project during the time the pilot project is in effect.

''(D) REVOCATION OF EXEMPTION.—The Secretary shall revoke an exemption granted under subparagraph (C) if—

''(i) the motor carrier to which it applies fails to comply with the terms and conditions of the exemption; or

''(ii) the Secretary determines that the exemption has resulted in a lower level of safety than was maintained before the exemption was granted.''.

SEC. 423. COMMERCIAL MOTOR VEHICLE SAFETY STUDIES.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a study of the impact on safety and infrastructure of tandem axle commercial motor vehicle operations in States that permit the operation of such vehicles in excess of the weight limits established by section 127 of title 23, United States Code.

(b) COOPERATIVE AGREEMENTS WITH STATES.—The Secretary shall enter into cooperative agreements with States described in subsection (a) under which the States participate in the collection of weight-in-motion data necessary to achieve the purpose of the study. If the Secretary determines that additional weight-in-motion sites, on or off the Dwight D. Eisenhower System of Interstate and Defense Highways, are necessary to carry out the study, and requests assistance from the States in choosing appropriate locations, the States shall identify the industries or transportation companies operating within their borders that regularly utilize the 35,000 pound tandem axle.

(c) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall transmit to the Congress a report on the results of the study, together with any related legislative or administrative recommendations. Until the Secretary transmits the report to the Congress, the Secretary may not withhold funds under section 104 of title 23, United States Code, from any State for violation of the grandfathered tandem axle weight limits under section 127 of that title.

SEC. 424. INCREASED MCSAP PARTICIPATION IMPACT STUDY.

(a) IN GENERAL.—If a State that did not receive its full allocation of funding under the Motor Carrier Safety Assistance Program during fiscal years 1996 and 1997 agrees to enter into a cooperative agreement with the Secretary to evaluate the safety impact, costs, and benefits of allowing such State to continue to participate fully in the Motor Carrier Safety Assistance Program, then the Secretary of Transportation shall allocate to that State the full amount of funds to which it would otherwise be entitled for fiscal years 1998, 1999, 2000, 2001, 2002, and 2003. The Secretary may not add conditions to the cooperative agreement other than those directly relating to the accurate and timely collection of inspection and crash data sufficient to ascertain the safety and effectiveness of such State's program.

(b) REQUIREMENTS.—

(1) REPORT.—The State shall submit to the Secretary each year the results of such safety evaluations.

(2) TERMINATION BY SECRETARY.—If the Secretary finds such an agreement not in the public interest based on the results of such evaluations after 2 years of full participation, the Secretary may terminate the agreement entered into under this section.

(c) PROHIBITION OF ADOPTION OF LESSER STANDARDS.—No State may enact or implement motor carrier safety regulations that are determined by the Secretary to be less strict than those in effect as of September 30, 1997.

TITLE V—RAIL AND MASS TRANSPORTATION ANTI-TERRORISM; SAFETY

SEC. 501. PURPOSE.

The purpose of this title is to protect the passengers and employees of railroad carriers and mass transportation systems and the movement of freight by railroad from terrorist attacks.

SEC. 502. AMENDMENTS TO THE ''WRECKING TRAINS'' STATUTE.

(a) Section 1992 of title 18, United States Code, is amended to read as follows:

''§ 1992. Terrorist attacks against railroads

''(a) GENERAL PROHIBITIONS.—Whoever willfully—

''(1) wrecks, derails, sets fire to, or disables any train, locomotive, motor unit, or freight

or passenger car used, operated, or employed by a railroad carrier;

''(2) brings, carries, possesses, places or causes to be placed any destructive substance, or destructive device in, upon, or near any train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier, without previously obtaining the permission of the carrier, and with intent to endanger the safety of any passenger or employee of the carrier, or with a reckless disregard for the safety of human life;

''(3) sets fire to, or places any destructive substance, or destructive device in, upon or near, or undermines any tunnel, bridge, viaduct, trestle, track, signal, station, depot, warehouse, terminal, or any other way, structure, property, or appurtenance used in the operation of, or in support of the operation of, a railroad carrier, or otherwise makes any such tunnel, bridge, viaduct, trestle, track, station, depot, warehouse, terminal, or any other way, structure, property, or appurtenance unworkable or unusable or hazardous to work or use, knowing or having reason to know such activity would likely derail, disable, or wreck a train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier;

''(4) removes appurtenances from, damages, or otherwise impairs the operation of any railroad signal system, including a train control system, centralized dispatching system, or highway-railroad grade crossing warning signal on a railroad line used, operated, or employed by a railroad carrier;

''(5) interferes with, disables or incapacitates any locomotive engineer, conductor, or other person while they are operating or maintaining a train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier, with intent to endanger the safety of any passenger or employee of the carrier, or with a reckless disregard for the safety of human life;

''(6) commits an act intended to cause death or serious bodily injury to an employee or passenger of a railroad carrier while on the property of the carrier;

''(7) causes the release of a hazardous material being transported by a rail freight car, with the intent to endanger the safety of any person, or with a reckless disregard for the safety of human life;

''(8) conveys or causes to be conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this subsection; or

''(9) attempts, threatens, or conspires to do any of the aforesaid acts,

shall be fined under this title or imprisoned not more than twenty years, or both, if such act is committed, or in the case of a threat or conspiracy such act would be committed, within the United States on, against, or affecting a railroad carrier engaged in or affecting interstate or foreign commerce, or if in the course of committing such acts, that person travels or communicates across a State line in order to commit such acts, or transports materials across a State line in aid of the commission of such acts; Provided however, that whoever is convicted of any crime prohibited by this subsection shall be:

''(A) imprisoned for not less than thirty years or for life if the railroad train involved carried high-level radioactive waste or spent nuclear fuel at the time of the offense;

''(B) imprisoned for life if the railroad train involved was carrying passengers at the time of the offense; and

''(C) imprisoned for life or sentenced to death if the offense has resulted in the death of any person.

''(b) PROHIBITIONS ON THE USE OF FIREARMS AND DANGEROUS WEAPONS.—

''(1) Except as provided in paragraph (4), whoever knowingly possesses or causes to be present any firearm or other dangerous weapon on board a passenger train of a railroad carrier, or attempts to do so, shall be fined under this title or imprisoned not more than one year, or both, if such act is committed on a railroad carrier that is engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

''(2) Whoever, with intent that a firearm or other dangerous weapon be used in the commission of a crime, knowingly possesses or causes to be present such firearm or dangerous weapon on board a passenger train or in a passenger terminal facility of a railroad carrier, or attempts to do so, shall be fined under this title or imprisoned not more than 5 years, or both, if such act is committed on a railroad carrier that is engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

''(3) A person who kills or attempts to kill a person in the course of a violation of paragraphs (1) or (2), or in the course of an attack on a passenger train or a passenger terminal facility of a railroad carrier involving the use of a firearm or other dangerous weapon, shall be punished as provided in sections 1111, 1112, and 1113 of this title.

''(4) Paragraph (1) shall not apply to:

''(A) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while engaged in the lawful performance of official duties, who is authorized by law to engage in the transportation of people accused or convicted of crimes, or supervise the prevention, detection, investigation, or prosecution of any violation of law;

''(B) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while off duty, if such possession is authorized by law;

''(C) the possession of a firearm or other dangerous weapon by a Federal official or a member of the Armed Forces if such possession is authorized by law;

''(D) the possession of a firearm of other dangerous weapon by a railroad police officer employed by a rail carrier and certified or commissioned as a police officer under the laws of a State, whether on or off duty; or

''(E) an individual transporting a firearm on board a railroad passenger train (except a loaded firearm) in baggage not accessible to any passenger on board the train, if the railroad carrier was informed of the presence of the weapon prior to the firearm being placed on board the train.

''(c) PROHIBITION AGAINST PROPELLING OBJECTS.—Whoever willfully or recklessly throws, shoots, or propels a rock, stone, brick, or piece of iron, steel, or other metal or any deadly or dangerous object or destructive substance at any locomotive or car of a train, knowing or having reason to know such activity would likely cause personal injury, shall be fined under this title or imprisoned for not more than 5 years, or both, if such act is committed on or against a railroad carrier engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act. Whoever is convicted of any crime prohibited by this subsection shall also be subject to imprisonment for not more than twenty years if the offense has resulted in the death of any person.

''(d) DEFINITIONS.—In this section—

''(1) 'dangerous device' has the meaning given to that term in section 921(a)(4) of this title;

''(2) 'dangerous weapon'' has the meaning given to that term in section 930 of this title;

''(3) 'destructive substance'' has the meaning given to that term in section 31 of this title, except that (A) the term 'radioactive device' does not include any radioactive device or material used solely for medical, industrial, research, or other peaceful purposes, and (B) 'destructive substance' includes any radioactive device or material that can be used to cause a harm listed in subsection (a) and that is not in use solely for medical, industrial, research, or other peaceful purposes;

''(4) 'firearm' has the meaning given to that term in section 921 of this title;

''(5) 'hazardous material' has the meaning given to that term in section 5102(2) of title 49, United States Code;

''(6) 'high-level radioactive waste' has the meaning given to that term in section 10101(12) of title 42, United States Code;

''(7) 'railroad' has the meaning given to that term in section 20102(1) of title 49, United States Code;

''(8) 'railroad carrier' has the meaning given to that term in section 20102(2) of title 49, United States Code;

''(9) 'serious bodily injury' has the meaning given to that term in section 1365 of this title;

''(10) 'spent nuclear fuel' has the meaning given to that term in section 10101(23) of title 42, United States Code; and

''(11) 'State' has the meaning given to that term in section 2266 of this title.''.

(b) In the analysis of chapter 97 of title 18, United States Code, item ''1992'' is amended to read:

''1992. Terrorist attacks against railroads''.

SEC. 503. TERRORIST ATTACKS AGAINST MASS TRANSPORTATION.

(a) Chapter 97 of title 18, United States Code, is amended by adding at the end thereof the following new section:

''§ 1994. Terrorist attacks against mass transportation

''(a) GENERAL PROHIBITIONS.—Whoever willfully—

''(1) wrecks, derails, sets fire to, or disables a mass transportation vehicle or vessel;

''(2) places or causes to be placed any destructive substance in, upon, or near a mass transportation vehicle or vessel, without previously obtaining the permission of the mass transportation provider, and with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;

''(3) sets fire to, or places any destructive substance in, upon, or near any garage, terminal, structure, supply, or facility used in the operation of, or in support of the operation of, a mass transportation vehicle, knowing or having reason to know such activity would likely derail, disable, or wreck a mass transportation vehicle used, operated, or employed by a mass transportation provider;

''(4) removes appurtenances from, damages, or otherwise impairs the operation of a mass transportation signal system, including a train control system, centralized dispatching system, or rail grade crossing warning signal;

''(5) interferes with, disables or incapacitates any driver or person while they are employed in operating or maintaining a mass transportation vehicle or vessel, with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;

''(6) commits an act intended to cause death or serious bodily injury to an employee or passenger of a mass transportation provider on the property of a mass transportation provider;

''(7) conveys or causes to be conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this subsection; or

''(8) attempts, threatens, or conspires to do any of the aforesaid acts—shall be fined under this title or imprisoned not more than twenty years, or both, if such act is committed, or in the case of a threat or conspiracy such act would be committed, within the United States on, against, or affecting a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act. Whoever is convicted of a crime prohibited by this section shall also be subject to imprisonment for life if the mass transportation vehicle or vessel was carrying a passenger at the time of the offense, and imprisonment for life or sentenced to death if the offense has resulted in the death of any person.

''(b) PROHIBITIONS ON THE USE OF FIREARMS AND DANGEROUS WEAPONS.—

''(1) Except as provided in paragraph (4), whoever knowingly possesses or causes to be present any firearm or other dangerous weapon on board a mass transportation vehicle or vessel, or attempts to do so, shall be fined under this title or imprisoned not more than one year, or both, if such act is committed on a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

''(2) Whoever, with intent that a firearm or other dangerous weapon be used in the commission of a crime, knowingly possesses or causes to be present such firearm or dangerous weapon on board a mass transportation vehicle or vessel, or in a mass transportation passenger terminal facility, or attempts to do so, shall be fined under this title, or imprisoned not more than 5 years, or both, if such act is committed on a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

''(3) A person who kills or attempts to kill a person in the course of a violation of paragraphs (1) or (2), or in the course of an attack on a mass transportation vehicle or vessel, or a mass transportation passenger terminal facility involving the use of a firearm or other dangerous weapon, shall be punished as provided in sections 1111, 1112, and 1113 of this title.

''(4) Paragraph (1) shall not apply to:

''(A) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while engaged in the lawful performance of official duties, who is authorized by law to engage in the transportation of people accused or convicted of crimes, or supervise the prevention, detection, investigation, or prosecution of any violation of law;

''(B) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while off duty, if such possession is authorized by law;

''(C) the possession of a firearm or other dangerous weapon by a Federal official or a member of the Armed Forces if such possession is authorized by law;

''(D) the possession of a firearm or other dangerous weapon by a railroad police officer employed by a rail carrier and certified or commissioned as a police officer under the laws of a State, whether on or off duty; or

''(E) an individual transporting a firearm on board a mass transportation vehicle or vessel (except a loaded firearm) in baggage not accessible to any passenger on board the vehicle or vessel, if the mass transportation provider was informed of the presence of the weapon prior to the firearm being placed on board the vehicle or vessel.

''(c) PROHIBITION AGAINST PROPELLING OBJECTS.—Whoever willfully or recklessly throws, shoots, or propels a rock, stone, brick, or piece of iron, steel, or other metal or any deadly or dangerous object or destructive substance at any mass transportation vehicle or vessel, knowing or having reason to know such activity would likely cause personal injury, shall be fined under this title or imprisoned for not more than 5 years, or both, if such act is committed on or against a mass transportation provider engaged in or substantially affecting interstate or foreign commerce, or if in the course of committing such acts, that person travels or communicates across a State line in order to commit such acts, or transports materials across a State line in aid of the commission of such acts. Whoever is convicted of any crime prohibited by this subsection shall also be subject to imprisonment for not more than twenty years if the offense has resulted in the death of any person.

''(d) DEFINITIONS.—In this section—

''(1) 'dangerous device' has the meaning given to that term in section 921(a)(4) of this title;

''(2) 'dangerous weapon' has the meaning given to that term in section 930 of this title;

''(3) 'destructive substance' has the meaning given to that term in section 31 of this title, except that (A) the term 'radioactive device' does not include any radioactive device or material used solely for medical, industrial, research, or other peaceful purposes, and (B) 'destructive substance' includes any radioactive device or material that can be used to cause a harm listed in subsection (a) and that is not in use solely for medical, industrial, research, or other peaceful purposes;

''(4) 'firearm' has the meaning given to that term in section 921 of this title;

''(5) 'mass transportation' has the meaning given to that term in section 5302(a)(7) of title 49, United States Code, except that the term shall include schoolbus, charter, and sightseeing transportation;

''(6) 'serious bodily injury' has the meaning given to that term in section 1365 of this title; and

''(7) 'State' has the meaning given to that term in section 2266 of this title.''.

(b) The analysis of chapter 97 of title 18, United States Code, is amended by adding at the end thereof:

''1994. Terrorist attacks against mass transportation.''.

SEC. 504. INVESTIGATIVE JURISDICTION.

The Federal Bureau of Investigation shall lead the investigation of all offenses under sections 1192 and 1994 of title 18, United States Code. The Federal Bureau of Investigation shall cooperate with the National Transportation Safety Board and with the Department of Transportation in safety investigations by these agencies, and with the Treasury Department's Bureau of Alcohol, Tobacco and Firearms concerning an investigation regarding the possession of firearms and explosives.

SEC. 505. SAFETY CONSIDERATIONS IN GRANTS OR LOANS TO COMMUTER RAILROADS.

Section 5329 is amended by adding at the end the following:

''(c) COMMUTER RAILROAD SAFETY CONSIDERATIONS.—In making a grant or loan under this chapter that concerns a railroad subject to the Secretary's railroad safety jurisdiction under section 20102 of this title, the Federal Transit Administrator shall consult with the Federal Railroad Administrator concerning relevant safety issues. The Secretary may use appropriate authority under this chapter, including the authority to prescribe particular terms or covenants under section 5334 of this title, to address any safety issues identified in the project supported by the loan or grant.''.

SEC. 506. RAILROAD ACCIDENT AND INCIDENT REPORTING.

Section 20901(a) is amended to read as follows:

''(a) GENERAL REQUIREMENTS.—On a periodic basis not more frequent than monthly, as specified by the Secretary of Transportation, a railroad carrier shall file a report with the Secretary on all accidents and incidents resulting in injury or death to an individual or damage to equipment or a roadbed arising from the carrier's operations during that period. The report shall state the nature, cause, and circumstances of each reported accident or incident. If a railroad carrier assigns human error as a cause, the report shall include, at the option of each employee whose error is alleged, a statement by the employee explaining any factors the employee alleges contributed to the accident or incident.''.

SEC. 507. VEHICLE WEIGHT LIMITATIONS—MASS TRANSPORTATION BUSES.

Section 1023(h)(1) of the Intermodal Surface Transportation Efficiency Act of 1991, as amended (23 U.S.C. 127 note), is amended by striking ''the date on which'' and all that follows through ''1995'' and inserting ''January 1, 2003''.

TITLE —VI SPORTFISHING AND BOATING SAFETY

SEC. 601. AMENDMENT OF 1950 ACT.

Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the 1950 Act, the reference shall be considered to be made to a section or other provision of the Act entitled ''An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes,'' approved August 9, 1950 (16 U.S.C. 777 et seq.).

SEC. 602. OUTREACH AND COMMUNICATIONS PROGRAMS.

(a) DEFINITIONS.—Section 2 of the 1950 Act (16 U.S.C. 777a) is amended—

(1) by indenting the left margin of so much of the text as precedes ''(a)'' by 2 ems;

(2) by inserting ''For purposes of this Act—'' after the section caption;

(3) by striking ''For the purpose of this Act the'' in the first paragraph and inserting ''(1) the'';

(4) by indenting the left margin of so much of the text as follows ''include—'' by 4 ems;

(5) by striking ''(a)'', ''(b)'', ''(c)'', and ''(d)'' and inserting ''(A)'', ''(B)'', ''(C)'', and ''(D)'', respectively;

(6) by striking ''department.'' and inserting ''department;''; and

(7) by adding at the end thereof the following:

''(2) the term 'outreach and communications program' means a program to improve communications with anglers, boaters, and the general public regarding angling and boating opportunities, to reduce barriers to participation in these activities, to advance adoption of sound fishing and boating practices, to promote conservation and the responsible use of the nation's aquatic resources, and to further safety in fishing and boating; and

''(3) the term 'aquatic resource education program' means a program designed to enhance the public's understanding of aquatic resources and sport-fishing, and to promote the development of responsible attitudes and ethics toward the aquatic environment.''.

(b) FUNDING FOR OUTREACH AND COMMUNICATIONS PROGRAM.—Section 4 of the 1950 Act (16 U.S.C. 777c) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f);

(2) by inserting after subsection (b) the following:

''(c) NATIONAL OUTREACH AND COMMUNICATIONS PROGRAM.—Of the balance of each such annual appropriation remaining after making the distribution under subsections (a) and (b), respectively, an amount equal to—

''(1) $5,000,000 for fiscal year 1998;

''(2) $6,000,000 for fiscal year 1999;

''(3) $7,000,000 for fiscal year 2000;

''(4) $8,000,000 for fiscal year 2001;

''(5) $10,000,000 for fiscal year 2002; and

''(6) $10,000,000 for fiscal year 2003,

shall be used for the National Outreach and Communications Program under section X08(d). Such amounts shall remain available for 3 fiscal years, after which any portion thereof that is unobligated by the Secretary of the Interior for that program may be expended by the Secretary under subsection (e).'';

(3) by inserting a comma and ''for an outreach and communications program'' after ''Act'' in subsection (d), as redesignated;

(4) by striking ''subsections (a) and (b),'' in subsection (d), as redesignated, ''subsections (a), (b), and (c),'';

(5) by adding at the end of subsection (d), as redesignated, the following: ''Of the sum available to the Secretary of the Interior under this subsection for any fiscal year, up to $2,500,000 may be used for the National Outreach and Communications Program under section X08(d) in addition to the amount available for that program under subsection (c). No funds available to the Secretary under this subsection may be used to replace funding traditionally provided through general appropriations, nor for any purposes except those purposes authorized by this Act. The Secretary shall publish a detailed accounting of the projects, programs, and activities funded under this subsection annually in the Federal Register.''; and

(6) by striking ''subsections (a), (b), and (c),'' in subsection (e), as redesignated, and inserting ''subsections (a), (b), (c), and (d),''.

(c) INCREASE IN STATE ALLOCATION.—Section 8 of the 1950 Act (16 U.S.C. 777g) is amended—

(1) by striking ''12 1/2 percentum'' each place it appears in subsection (b) and inserting ''15 percent'';

(2) by striking ''10 percentum'' in subsection (c) and inserting ''15 percent'''

(3) by inserting ''and communications'' in subsection (c) after ''outreach''; and

(4) by redesignating subsection (d) as subsection (f); and by inserting after subsection (c) the following:

''(d) NATIONAL OUTREACH AND COMMUNICATIONS PROGRAM.—

''(1) IMPLEMENTATION.—Within 1 year after the date of enactment of the Intermodal Transportation Safety Act of 1997, the Secretary of the Interior shall develop and implement, in cooperation and consultation with the Sport Fishing and Boating Partnership Council, a national plan for outreach and communications.

''(2) CONTENT.—The plan shall provide—

''(A) guidance, including guidance on the development of an administrative process and funding priorities, for outreach and communications programs; and

''(B) for the establishment of a national program.

''(3) SECRETARY MAY MATCH OR FUND PROGRAMS.—Under the plan, the Secretary may obligate amounts available under subsection (c) or (d) of section 604 of this Act—

''(A) to make grants to any State or private entity to pay all or any portion of the cost of carrying out any outreach or communications program under the plan; or

''(B) to fund contracts with States or private entities to carry out such a program.

''(4) REVIEW.—The plan shall be reviewed periodically, but not less frequently than once every 3 years.

''(e) STATE OUTREACH AND COMMUNICATIONS PROGRAM.—Within 12 months after the completion of the national plan under subsection (d)(1), a State shall develop a plan for an outreach and communications program and submit it to the Secretary. In developing the plan, a State shall—

''(1) review the national plan developed under subsection (d);

''(2) consult with anglers, boaters, the sportfishing and boating industries, and the general public; and

''(3) establish priorities for the State outreach and communications program proposed for implementation.''.

SEC. 603. CLEAN VESSEL ACT FUNDING.

Section 4(b) of the 1950 Act (16 U.S.C. 777c(b)) is amended to read as follows:

''(b) USE OF BALANCE AFTER DISTRIBUTION.—

''(1) FISCAL YEAR 1998.—For fiscal year 1998, of the balance remaining after making the distribution under subsection (a), an amount equal to $51,000,000 shall be used as follows:

''(A) $10,000,000 shall be available to the Secretary of the Interior for 3 years for obligation for qualified projects under section 5604(c) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note);

''(B) $10,000,000 shall be available to the Secretary of the Interior for 3 years for obligation for qualified projects under section X05(d) of the Intermodal Transportation Safety Act of 1997; and

''(C) $31,000,000 shall be transferred to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106 of title 46, United States Code.

''(2) FISCAL YEARS 1999–2003.—For each of fiscal years 1999 through 2003, the balance of each annual appropriation remaining after making the distribution under subsection (a), an amount equal to $84,000,000, reduced by 82 percent of the amount appropriated for that fiscal year from the Boat Safety Account of the Aquatic Resources Trust Fund established by section 9504 of the Internal Revenue Code of 1986 (26 U.S.C. 9504) to carry out the purposes of section 13106(a) of title 46, United States Code, shall be used as follows:

''(A) $10,000,000 shall be available for each fiscal year to the Secretary of the Interior for 3 years for obligation for qualified projects under section 5604(c) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note);

''(B) $10,000,000 shall be available for each fiscal year to the Secretary of the Interior for 3 years for obligation for qualified projects under section X05(d) of the Intermodal Tranportation Safety Act of 1997; and

''(C) the balance shall be transferred for each such fiscal year to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106 of title 46, United States Code.

''(3) Amounts available under subparagraphs (A) and (B) of paragraph (1) and paragraph (2) that are unobligated by the Secretary of the Interior after 3 years shall be transferred to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106(a) of title 46, United States Code.''.

SEC. 604. BOATING INFRASTRUCTURE.

(a) PURPOSE.—The purpose of this section is to provide funds to States for the development and maintenance of public facilities for transient nontrailerable recreational vessels.

(b) SURVEY.—Section 8 of the 1950 Act (16 U.S.C. 777g), as amended by section X03, is amended by adding at the end thereof the following:

''(g) SURVEYS.—

''(1) NATIONAL FRAMEWORK.—Within 6 months after the date of enactment of the Intermodal Transportation Safety Act of 1997, the Secretary, in consultation with the States, shall adopt a national framework for a public boat access needs assessment which may be used by States to conduct surveys to determine the adequacy, number, location, and quality of facilities providing access to recreational waters for all sizes of recreational boats.

''(2) STATE SURVEYS.—Within 18 months after such date of enactment, each State that agrees to conduct a public boat access needs survey following the recommended national framework shall report its findings to the Secretary for use in the development of a comprehensive national assessment of recreational boat access needs and facilities.

''(3) EXCEPTION.—Paragraph (2) does not apply to a State if, within 18 months after such date of enactment, the Secretary certifies that the State has developed and is implementing a plan that ensures there are and will be public boat access adequate to meet the needs of recreational boaters on its waters.

''(4) FUNDING.—A State that conducts a public boat access needs survey under paragraph (2) may fund the costs of conducting that assessment out of amounts allocated to it as funding dedicated to motorboat access to recreational waters under subsection (b)(1) of this section.''.

(c) PLAN.—Within 6 months after submitting a survey to the Secretary under section 8(g) of the Act entitled ''An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes,'' approved August 9, 1950 (16 U.S.C. 777g(g)), as added by subsection (b) of this section, a State may develop and submit to the Secretary a plan for the construction, renovation, and maintenance of public facilities, and access to those facilities, for transient nontrailerable recreational vessels to meet the needs of nontrailerable recreational vessels operating on navigable waters in the State.

(d) GRANT PROGRAM.—

(1) MATCHING GRANTS.—The Secretary of the Interior shall obligate amounts made available under section 4(b)(1)(C) of the Act entitled ''An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other

purposes,'' approved August 9, 1950 (16 U.S.C. 777c(b)(1)(C)) to make grants to any State to pay not more than 75 percent of the cost to a State of constructing, renovating, or maintaining public facilities for transient nontrailerable recreational vessels.

(2) PRIORITIES.—In awarding grants under paragraph (1), the Secretary shall give priority to projects that—

(A) consist of the construction, renovation, or maintenance of public facilities for transient nontrailerable recreational vessels in accordance with a plan submitted by a State under subsection (c);

(B) provide for public/private partnership efforts to develop, maintain, and operate facilities for transient nontrailerable recreational vessels; and

(C) propose innovative ways to increase the availability of facilities for transient nontrailerable recreational vessels.

(e) DEFINITIONS.—For purposes of this section, the term—

(1) ''nontrailerable recreational vessel'' means a recreational vessel 26 feet in length or longer—

(A) operated primarily for pleasure; or

(B) leased, rented, or chartered to another for the latter's pleasure;

(2) ''public facilities for transient nontrailerable recreational vessels'' includes mooring buoys, day-docks, navigational aids, seasonal slips, or similar structures located on navigable waters, that are available to the general public and designed for temporary use by nontrailerable recreational vessels; and

(4) ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

(f) EFFECTIVE DATE.—This section shall take effect on October 1, 1997.

SEC. 605. BOAT SAFETY FUNDS.

(a) AVAILABILITY OF ALLOCATIONS.—Section 13104(a) of title 46, United States Code, is amended—

(1) by striking ''3 years'' in paragraph (1) and inserting ''2 years''; and

(2) by striking ''3-year'' in paragraph (2) and inserting ''2-year''.

(b) EXPENDITURES.—Section 13106 of title 46, United States Code, is amended—

(1) by striking the first sentence of subsection (a)(1) and inserting the following: ''Subject to paragraph (2) and subsection (c), the Secretary shall expend in each fiscal year for State recreational boating safety programs, under contracts with States under this chapter, an amount equal to the sum of (A) the amount appropriated from the Boat Safety Account for that fiscal year and (B) the amount transferred to the Secretary under section 4(b) of the Act of August 9, 1950 (16 U.S.C. 777c(b)).''; and

(2) by striking subsection (c) and inserting the following:

''(c) Of the amount transferred for each fiscal year to the Secretary of Transportation under section 4(b) of the Act of August 9, 1950 (16 U.S.C. 777c(b)), $5,000,000 is available to the Secretary for payment of expenses of the Coast Guard for personnel and activities directly related to coordinating and carrying out the national recreational boating safety program under this title. No funds available to the Secretary under this subsection may be used to replace funding traditionally provided through general appropriations, nor for any purposes except those purposes authorized by this Act. Amounts made available by this subsection shall remain available until expended. The Secretary shall publish annually in the Federal Register a detailed accounting of the projects, programs, and activities funded under this subsection.''.

(c) CONFORMING AMENDMENTS.—

(1) The caption for section 13106 of title 46, United States Code, is amended to read as follows:

''§ 13106. Authorization of appropriations''.

(2) The chapter analysis for chapter 131 of title 46, United States Code, is amended by striking the item relating to section 13106 and inserting the following:

''13106. Authorization of appropriations''.

TITLE VII—MISCELLANEOUS

SEC. 701. ENFORCEMENT OF WINDOW GLAZING STANDARDS FOR LIGHT TRANSMISSION.

Section 402(a) of title 23, United States Code, is amended by striking ''post-accident procedures.'' and inserting ''post-accident procedures, including the enforcement of light transmission standards of glazing for passenger motor vehicles and light trucks as necessary to improve highway safety.''.

MCCAIN AMENDMENTS NOS. 1417–1421

(Ordered to lie on the table.)

Mr. MCCAIN submitted five amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1417

On page 136, strike line 22 and insert the following: specified in subparagraph (G).''.

SEC. 11 . AVAILABILITY OF FUNDING FOR DEMONSTRATION PROJECTS.

Section 118(b)(2) of title 23, United States Code, is amended—

(1) by striking ''FUNDS.—Except as'' and inserting the following: ''FUNDS.—

''(A) IN GENERAL.—Except as''; and

(2) by adding at the end the following:

''(B) DEMONSTRATION PROJECTS.—

''(i) DEFINITION.—In this subparagraph, the term 'demonstration project' means a demonstration project or program authorized under—

''(I) the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240);

''(II) the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100–17);

''(III) the Surface Transportation Assistance Act of 1982 (Public Law 97–424); or

''(IV) any other law.

''(ii) PERIOD OF AVAILABILITY.—Notwithstanding any other provision of law, if none of the funds allocated for a demonstration project in a State have been obligated by the date that is 3 years after the last day of the fiscal year for which the funds are authorized, the funds and the authorization of the project shall lapse.

''(iii) TRANSITION PROVISION.—In the case of a demonstration project authorized before the date of enactment of this subparagraph for which funds are not obligated as described in clause (ii) as of that date, the funds and the authorization of the project shall lapse on that date.''.

AMENDMENT NO. 1418

On page 136, strike line 22 and insert the following: specified in subparagraph (G).''.

SEC. 11 . AVAILABILITY OF FUNDING FOR DEMONSTRATION PROJECTS.

Section 118(b)(2) of title 23, United States Code, is amended—

(1) by striking ''FUNDS.—Except as'' and inserting the following: ''FUNDS.—

''(A) IN GENERAL.—Except as''; and

(2) by adding at the end the following:

''(B) DEMONSTRATION PROJECTS.—

''(i) DEFINITION.—In this subparagraph, the term 'demonstration project' means a demonstration project or program authorized under—

''(I) the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240);

''(II) the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100–17);

''(III) the Surface Transportation Assistance Act of 1982 (Public Law 97–424); or

''(IV) any other law.

''(ii) PERIOD OF AVAILABILITY.—Notwithstanding any other provision of law, if none of the funds allocated for a demonstration project in a State have been obligated by the date that is 3 years after the last day of the fiscal year for which the funds are authorized, the Secretary shall reallocate funds for the project to other States in the same manner as funds are apportioned under section 104(b).

''(iii) TRANSITION PROVISION.—In the case of a demonstration project authorized before the date of enactment of this subparagraph for which funds are not obligated as described in clause (ii) as of the date, the funds shall be reallocated in accordance with clause (ii) as soon as practicable after the date.''.

AMENDMENT NO. 1419

Beginning on page 39, strike line 21 and all that follows through page 40, line 10, and insert the following:

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714); and

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701).

On page 44, strike line 5 and insert the following: date of enactment of this subparagraph).

''(3) DEMONSTRATION PROJECTS.—

''(A) DEFINITION.—In this paragraph, the term 'demonstration project' means a demonstration project or program authorized under—

''(i) the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240);

''(ii) the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100–17);

''(iii) the Surface Transportation Assistance Act of 1982 (Public Law 97–424); or

''(iv) any other law.

''(B) APPLICABILITY OF OBLIGATION LIMITATIONS.—Notwithstanding any other provision of law, a demonstration project shall be subject to any limitation on obligations established by law that applies to Federal-aid highways and highway safety construction programs.''.

AMENDMENT NO. 1420

Beginning on page 39, strike line 21 and all that follows through page 40, line 10, and insert the following:

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714); and

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701).

AMENDMENT NO. 1421

On page 44, strike line 5 and insert the following: date of enactment of this subparagraph).

''(3) DEMONSTRATION PROJECTS.—

''(A) DEFINITION.—In this paragraph, the term 'demonstration project' means a demonstration project or program authorized under—

''(i) the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240);

''(ii) the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100–17);

''(iii) the Surface Transportation Assistance Act of 1982 (Public Law 97–424); or

''(iv) any other law.

''(B) APPLICABILITY OF OBLIGATION LIMITATIONS.—Notwithstanding any other provision

of law, a demonstration project shall be subject to any limitation on obligations established by law that applies to Federal-aid highways and highway safety construction programs.''.

BOXER AMENDMENT NO. 1422

(Ordered to lie on the table.)

Mrs. BOXER submitted an amendment intended to be proposed by her to the bill, S. 1173, supra; as follows:

Strike section 1407 and insert the following:

SEC. 1407. AUTOMATIC CRASH PROTECTION UNBELTED TESTING STANDARD.

(a) REVISION OF STANDARDS.—

(1) IN GENERAL.—Not later than December 31, 1998, the Secretary shall issue final regulations that revise the Federal Motor Vehicle Safety Standard No. 208 for occupant protection to require additional types of tests to protect all sizes of occupants (particularly children), conducted—

(A) with or without manual safety belts;

(B) at low and high speeds; and

(C) from head-on and offset collisions.

(2) APPLICABILITY.—The final regulations issued under paragraph (1) shall require that all passenger cars and multipurpose vehicles comply with the additional testing requirements described in paragraph (1) beginning on September 1, 2001.

(b) CONSUMER INFORMATION.—

(1) AIRBAG INFORMATION.—The Secretary shall, by regulation, require the disclosure to purchasers of newly manufactured motor vehicles, critical information regarding the operation and characteristics of both driver- and passenger-side airbags.

(2) REQUIREMENTS FOR INFORMATION.—The information described in paragraph (1) shall include, at a minimum, information concerning, with respect to each covered airbag—

(A) the airbag deployment threshold;

(B) the maximum deployment force of the airbag;

(C) the location of the airbag module;

(D) the direction in which the airbag deploys;

(E) the range of airbag intrusion into the seating area; and

(F) the use of features (if any) to control the extent of airbag excursion.

(3) PLACEMENT OF INFORMATION.—The regulations issued under this subsection shall require that the information that is required to be disclosed under the regulation be disclosed—

(A) on a window sticker of the motor vehicle involved; and

(B) in the owners' manual of the motor vehicle involved.

(4) APPLICABILITY.—The regulations issued under this subsection shall require compliance not later than 1 year after the date of enactment of this Act.

(c) SAFE PROCEDURES NOTIFICATION.—

(1) IN GENERAL.—Not later than September 1, 1998, a manufacturer shall provide to each purchaser of a newly manufactured motor vehicle that is manufactured by that manufacturer, in the owners' manual of that motor vehicle, comprehensive information concerning the actions and precautions that are necessary to ensure proper occupant positioning in airbag-equipped seating positioning. That information shall—

(A) be based on different sizes and ages of occupants;

(B) provide specific information concerning the safety of children and infants; and

(C) include information concerning the proper positioning of vehicle equipment, including seats and the steering column.

(2) PREVIOUS PURCHASERS.—With respect to an owner who purchases a newly manufactured airbag equipped motor vehicle before the date specified in paragraph (1), the manufacturer of that motor vehicle shall provide to that owner the information described in paragraph (1) in a manner consistent with section 30118(c) of title 49, United States Code.

BOXER (AND WELLSTONE) AMENDMENT NO. 1423

(Ordered to lie on the table.)

Mrs. BOXER (for herself and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to the bill, S. 1173, supra; as follows:

On page 345, line 6, strike ''and''.

On page 345, line 9, strike the period and insert ''; and''.

On page 345, between lines 9 and 10, insert the following:

''(H) research on telecommuting, research on the linkages between transportation, information technology, and community development, and research on the impacts of technological change and economic restructuring on travel demand, to be carried out by an information technology and transportation consortium composed of universities and other organizations under grants made, or cooperative agreements or contracts entered into, by the Secretary.

On page 415, line 15, before the period, insert the following: '', of which not less than $2,000,000 for each fiscal year shall be available to carry out section 502(b)(2)(H)''.

CAMPBELL (AND GRAMM) AMENDMENT NO. 1424

(Ordered to lie on the table.)

Mr. CAMPBELL (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by them to the bill, S. 1173, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . LIMITATIONS.

(a) PROHIBITION ON LOBBYING ACTIVITIES.—(1) No funds authorized in this title shall be available for any activity to build support for or against, or to influence the formulation, or adoption of State or local legislation, unless such activity is consistent with previously-existing Federal mandates or incentive programs.

(b) Nothing in this section shall prohibit officers or employees of the United States or its departments or agencies from testifying before any State or local legislative body upon the invitation of such legislative body.

CAMPBELL AMENDMENT NO. 1425

(Ordered to lie on the table.)

Mr. CAMPBELL submitted an amendment intended to be proposed by him to the bill, S. 1173, supra; as follows:

On page 30, strike line 1 and insert the following: ''is not less than 0.90 for fiscal year 1998, 0.91 for fiscal year 1999, 0.92 for fiscal year 2000, 0.93 for fiscal year 2001, 0.94 for fiscal year 2002, 0.95 for fiscal year 2003; and''.

On page 5, line 8, insert ''(a) IN GENERAL.—'' before ''For''.

On page 7, between lines 20 and 21, insert the following:

(b) REDUCTION OF SUMS.—Notwithstanding subsection (a), the sums made available under subsection (a) shall be reduced on a pro rata basis by the amount necessary to offset the budgetary impact resulting from adoption of this amendment.

On page 5, line 8, insert ''(a) IN GENERAL.—'' before ''For''.

On page 7, between lines 20 and 21, insert the following:

(b) EFFECT OF INCREASED AVAILABLE AMOUNTS.—The increased funding levels provided by this amendment shall not take effect unless the amounts made available under subsection (a) are increased above the levels of those amounts in the modified Committee amendment filed in the Senate on October 8, 1997.

DOMENICI AMENDMENTS NOS. 1426–1430

(Ordered to lie on the table.)

Mr. DOMENICI submitted five amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1426

At the appropriate place insert the following:

FINDINGS.—The Senate finds that—

(1) the Senate agreed to abide by the levels and priorities of spending worked out in the Bipartisan Budget Agreement with a vote of 76 to 22 on the adoption of the fiscal year 1998 budget resolution on June 5, 1997;

(2) this agreement calls for $146,000,000,000 in spending authority over the next 5 fiscal years for the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA); and

(3) to provide for additional transportation spending over this time period it will be necessary, so as not to increase the deficit and to remain in compliance with the Bipartisan Budget Agreement, to reduce spending for other appropriated Federal programs by an equivalent amount.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that spending shall be eliminated for all Army procurement over the next 5 years in order to truly provide additional Federal spending for transportation.

AMENDMENT NO. 1427

At the appropriate place insert the following:

(a) FINDINGS.—The Senate finds that—

(1) the Senate agreed to abide by the levels and priorities of spending worked out in the Bipartisan Budget Agreement with a vote of 76 to 22 on the adoption of the fiscal year 1998 budget resolution on June 5, 1997;

(2) this agreement calls for $146,000,000,000 in spending authority over the next 5 fiscal years for the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA); and

(3) to provide for additional transportation spending over this time period it will be necessary, so as not to increase the deficit and to remain in compliance with the Bipartisan Budget Agreement, to reduce spending for other appropriated Federal programs by an equivalent amount.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that spending shall be eliminated completely for the National Cancer Institute, National Heart and Lung Institute, National Institute for Diabetes, and AIDS research over the next 5 years in order to truly provide additional Federal spending for transportation.

AMENDMENT NO. 1428

At the appropriate place insert the following:

(a) FINDINGS.—The Senate finds that—

(1) the Senate agreed to abide by the levels and priorities of spending worked out in the Bipartisan Budget Agreement with a vote of 76 to 22 on the adoption of the fiscal year 1998 budget resolution on June 5, 1997;

(2) this agreement calls for $146,000,000,000 in spending authority over the next 5 fiscal

years for the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA); and

(3) to provide for additional transportation spending over this time period it will be necessary, so as not to increase the deficit and to remain in compliance with the Bipartisan Budget Agreement, to reduce spending for other appropriated Federal programs by an equivalent amount.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that spending for the Head Start program over the next 5 years shall be terminated in order to truly provide additional Federal spending for transportation.

AMENDMENT NO. 1429

At the appropriate place insert the following:

(a) FINDINGS.—The Senate finds that—

(1) the Senate agreed to abide by the levels and priorities of spending worked out in the Bipartisan Budget Agreement with a vote of 76 to 22 on the adoption of the fiscal year 1998 budget resolution on June 5, 1997;

(2) this agreement calls for $146,000,000,000 in spending authority over the next 5 fiscal years for the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA); and

(3) to provide for additional transportation spending over this time period it will be necessary, so as not to increase the deficit and to remain in compliance with the Bipartisan Budget Agreement, to reduce spending for other appropriated Federal programs by an equivalent amount.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that spending for the EPA over the next 5 years shall be terminated in order to truly provide additional Federal spending for transportation.

AMENDMENT NO. 1430

At the appropriate place insert the following:

(a) FINDINGS.—The Senate finds that—

(1) the Senate agreed to abide by the levels and priorities of spending worked out in the Bipartisan Budget Agreement with a vote of 76 to 22 on the adoption of the fiscal year 1998 budget resolution on June 5, 1997;

(2) this agreement calls for $146,000,000,000 in spending authority over the next 5 fiscal years for the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA); and

(3) to provide for additional transportation spending over this time period it will be necessary, so as not to increase the deficit and to remain in compliance with the Bipartisan Budget Agreement, to reduce spending for other appropriated Federal programs by an equivalent amount.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that spending for the FBI, DEA, ATF, INS, and Secret Service over the next 5 years shall be reduced by $30 billion in order to truly provide additional Federal spending for transportation.

DOMENICI (AND ALLARD) AMENDMENT NO. 1431

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. ALLARD) submitted an amendment intended to be proposed by them to the bill, S. 1173, supra; as follows:

At the appropriate place insert:

SEC. . REPEAL OF 4.3-CENT TRANSPORTATION MOTOR FUELS EXCISE TAX TRANSFERRED TO THE HIGHWAY TRUST FUND BY THE TAXPAYER RELIEF ACT OF 1997.

(a) REPEAL.—

(1) IN GENERAL.—Section 4081 (relating to imposition of tax on gasoline and diesel fuel) is amended by adding at the end the following new subsection:

''(f) REPEAL OF 4.3-CENT TRANSPORTATION MOTOR FUELS EXCISE TAX TRANSFERRED TO THE HIGHWAY TRUST FUND BY THE TAXPAYER RELIEF ACT OF 1997.—

''(1) IN GENERAL.—Each rate of tax referred to in paragraph (2) shall be reduced by 4.3 cents per gallon.

''(2) RATES OF TAX.—The rates of tax referred to in this paragraph are the rates of tax otherwise applicable under—

''(A) subsection (a)(2)(A) (relating to gasoline and diesel fuel),

''(B) sections 4091(b)(3)(A) and 4092(b)(2) (relating to aviation fuel),

''(C) section 4042(b)(2)(C) (relating to fuel used on inland waterways),

''(D) paragraph (1) or (2) of section 4041(a) (relating to diesel fuel and special fuels),

''(E) section 4041(c)(3) (relating to gasoline used in noncommercial aviation), and

''(F) section 4041(m)(1)(A)(i) (relating to certain methanol or ethanol fuels).

''(3) COMPARABLE TREATMENT FOR COMPRESSED NATURAL GAS.—No tax shall be imposed by section 4041(a)(3) on any sale or use during the applicable period.

''(4) COMPARABLE TREATMENT UNDER CERTAIN REFUND RULES.—Each of the rates specified in sections 6421(f)(2)(B), 6421 (f)(3)(B)(ii), 6427(b)(2)(A), 6427(l)(3)(B)(ii), and 6427(l)(4)(B) shall be reduced by 4.3 cents per gallon.

''(5) COORDINATION WITH MASS TRANSIT ACCOUNT.—The rate of tax specified in section 9503(e)(2) shall be reduced by .85 cent per gallon.''.

(2) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

(b) FLOOR STOCK REFUNDS.—

(1) IN GENERAL.—If—

(A) before the tax repeal date, tax has been imposed under section 4081 or 4091 of the Internal Revenue Code of 1986 on any liquid, and

(B) on such date such liquid is held by a dealer and has not been used and is intended for sale,

there shall be credited or refunded (without interest) to the person who paid such tax (hereafter in this subsection referred to as the ''taxpayer'') an amount equal to the excess of the tax paid by the taxpayer over the amount of such tax which would be imposed on such liquid had the taxable event occurred on such date.

(2) TIME FOR FILING CLAIMS.—No credit or refund shall be allowed or made under this subsection unless—

(A) claim therefor is filed with the Secretary of the Treasury before the date which is 6 months after the tax repeal date, and

(B) in any case where liquid is held by a dealer (other than the taxpayer) on the tax repeal date—

(i) the dealer submits a request for refund or credit to the taxpayer before the date which is 3 months after the tax repeal date, and

(ii) the taxpayer has repaid or agreed to repay the amount so claimed to such dealer or has obtained the written consent of such dealer to the allowance of the credit or the making of the refund.

(3) EXCEPTION FOR FUEL HELD IN RETAIL STOCKS.—No credit or refund shall be allowed under this subsection with respect to any liquid in retail stocks held at the place where intended to be sold at retail.

(4) DEFINITIONS.—For purposes of this subsection—

(A) the terms ''dealer'' and ''held by a dealer'' have the respective meanings given to such terms by section 6412 of such Code; except that the term ''dealer'' includes a producer, and

(B) the term ''tax repeal date'' means the date of the enactment of this section.

(5) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (b) and (c) of section 6412 of such Code shall apply for purposes of this subsection.

(c) ADMINISTRATIVE PROCEDURES.—

(1) The United States Department of Treasury shall inform each State and territory Governor within seven days of enactment of this section—

(A) that this section has been enacted, and

(B) the estimated amount of Federal gas tax revenues no longer collected in their respective States between fiscal years 2000 and 2009 due to enactment of this section.

(2) Each State and territory may by October 1, 1999—

(A) adjust their respective State gas tax upward to make up for the Federal gas tax reduction enacted by this section for the purpose of transportation spending in that State,

(B) provide tax relief to their citizens by not increasing their State gas taxes equivalent to the reductions enacted by this section, or

(C) a combination of both (A) and (B).

DOMENICI AMENDMENTS NOS. 1432–1433

(Ordered to lie on the table.)

Mr. DOMENICI submitted two amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1432

At the appropriate place insert:

SEC. . REPEAL OF TRANSFER OF GENERAL REVENUE PORTION OF HIGHWAY MOTOR FUELS TAXES INTO HIGHWAY TRUST FUND.

(a) IN GENERAL.—Section 901 of the Taxpayer Relief Act of 1997 (other than subsection (e)) is repealed.

(b) APPLICATION OF THE INTERNAL REVENUE CODE OF 1986.—The Internal Revenue Code of 1986 shall be applied and administered as if that section (and the amendments made by such section) had not been enacted.

AMENDMENT NO. 1433

At the appropriate place insert the following:

Notwithstanding any other provision of this Act, any amount of contract authority which is provided in this Act for the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, which exceeds $147,387,000,000 for fiscal years 1998 through 2002 shall only be available to the extent provided in advance in appropriation acts.

DOMENICI (AND CHAFEE) AMENDMENT NO. 1434

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. CHAFEE) submitted two amendments intended to be proposed by them to the bill, S. 1173, supra; as follows:

At the end of the bill, add the following:

TITLE III—ADDITIONAL FUNDING

SEC. 3001. ADDITIONAL FUNDING.

(a) HIGHWAYS.—

(1) APPORTIONMENT.—For each of fiscal years 1999 through 2003, the following additional amounts shall be apportioned among the States so that each State's percentage of the remainder for a fiscal year is equal to the State's percentage of the sum of—

(A) the total apportionments made under section 1102 and the amendments made by section 1102; and

(B) the total amounts made available for metropolitan planning under section 104(f) of title 23, United States Code;

for the current fiscal year.

(2) AMOUNTS.—The amounts referred to in paragraph (1) are the following:

(A) For fiscal year 1999, $0.

(B) For fiscal year 2000, $0.

(C) For fiscal year 2001, $0.

(D) For fiscal year 2002, $0.

(E) For fiscal year 2003, $0.

(3) OBLIGATION OF AMOUNTS.—Amounts apportioned under paragraph (1)—

(A) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(i) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(ii) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(B) shall be available for any purpose eligible for funding under section 133 of that title; and

(C) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are provided in paragraph (2).

(B) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(b) MASS TRANSIT.—

(1) AUTHORIZATION.—For each of fiscal years 1999 through 2003, the following additional amounts shall be made available to the Secretary to carry out sections 5307, 5309, 5310, and 5311 of title 49, United States Code.

(2) AMOUNTS.—

(A) SECTION 5307, 5310, and 5311.—The amounts referred to in paragraph (1) are the following amounts to carry out the purposes of section 5307, 5310 and 5311:

(i) For fiscal year 1999, $0.

(ii) For fiscal year 2000, $0.

(iii) For fiscal year 2001, $0.

(iv) For fiscal year 2002, $0.

(v) For fiscal year 2003, $0.

(B) SECTION 5309.—The amounts referred to in paragraph (1) are the following amounts to carry out the purposes of section 5309:

(i) For fiscal year 1999, $0.

(ii) For fiscal year 2000, $0.

(iii) For fiscal year 2001, $0.

(iv) For fiscal year 2002, $0.

(v) For fiscal year 2003, $0.

(3) OBLIGATION OF AMOUNTS.—Amounts made available under this subsection—

(A) shall be considered to be sums made available for expenditure on Federal transit programs;

(B) shall be available for any purpose eligible for funding under the applicable section, except that funds provided to urbanized areas over 200,000 population under section 5307 shall not be available for operating assistance; and

(C) shall remain available for obligation for the same period of time as if the funds were provided under section 5338 of title 49.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Mass Transit Account such sums as are provided in paragraph (2).

(B) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned or allocated under sections 5307, 5309, 5310, and 5311 of title 49, United States Code.

(c) POTENTIAL INCREASE FOR TRANSPORTATION SPENDING.—If the fiscal year 1999, 2000, 2001, or 2002 concurrent resolution on the budget assumes higher budget authority and outlay levels for transportation spending than assumed in H. Con. Res. 84 (the fiscal year 1998 budget resolution), the budget resolution shall separately specify the increased budget authority levels for highways and mass transit spending and the outlays flowing from such levels for each fiscal year through fiscal year 2002. If the fiscal year 2003 concurrent resolution on the budget provides additional budget authority and outlays for transportation spending during fiscal year 2003, then that resolution shall separately specify the increased budget authority levels for highway and mass transit spending and the outlays flowing from such levels.

(d) EXPEDITED PROCEDURES.—

(1) DEFINITION OF HIGHWAY AND MASS TRANSIT FUNDING JOINT RESOLUTION.—In this section, the term ''highway and mass transit funding joint resolution'' means a joint resolution, the matter after the resolving clause of which consists solely of the following:

(A) With respect to section 1 of such joint resolution, each blank space being filled in with a specific dollar amount that does not exceed the budget authority level for highways pursuant to subsection (c).

(B) With respect to section 2 of such joint resolution, each blank space being filled in with a specific dollar amount that does not exceed the budget authority level for mass transit pursuant to subsection (c).

(C) With respect to section 3 of such joint resolution, each blank space being filled in by an amount that does not exceed the outlay level pursuant to subsection (c).

''SECTION 1. ADDITIONAL HIGHWAY FUNDING.

''Section 3001(a)(2) of the Intermodal Surface Transportation Efficiency Act of 1997 is amended—

''(1) in subparagraph (A), by striking '$0' and inserting '$_____';

''(2) in subparagraph (B), by striking '$0' and inserting '$_____';

''(3) in subparagraph (C), by striking '$0' and inserting '$_____';

''(4) in subparagraph (D), by striking '$0' and inserting '$_____'; and

''(5) in subparagraph (E), by striking '$0' and inserting '$_____'.

''SEC. 2. ADDITIONAL MASS TRANSIT FUNDING.

''(a) Section 3001(b)(2)(A) of the Intermodal Surface Transportation Efficiency Act of 1997 is amended—

''(1) in clause (i), by striking '$0' and inserting '$ ____';

''(2) in clause (ii), by striking '$0' and inserting '$ ____';

''(3) in clause (iii), by striking '$0' and inserting '$ ____';

''(4) in clause (iv), by striking '$0' and inserting '$ ____'; and

''(5) in clause (v), by striking '$0' and inserting '$ ____'.

''(b) Section 3001(b)(2)(B) of the Intermodal Surface Transportation Efficiency Act of 1997 is amended—

''(1) in clause (i), by striking '$0' and inserting '$ ____';

''(2) in clause (ii), by striking '$0' and inserting '$ ____';

''(3) in clause (iii), by striking '$0' and inserting '$ ____';

''(4) in clause (iv), by striking '$0' and inserting '$ ____'; and

''(5) in clause (v), by striking '$0' and inserting '$ ____'.

''SEC. 3. ADDITIONAL OUTLAYS FOR TRANSPORTATION.

''The discretionary spending limits set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 as adjusted pursuant to that Act are increased by the following amounts:

''(1) With respect to fiscal year 1999, _____ for nondefense outlays.

''(2) With respect to fiscal year 2000, _____ for discretionary outlays.

''(3) With respect to fiscal year 2001, _____ for discretionary outlays.

''(4) With respect to fiscal year 2002, _____ for discretionary outlays.''.

(2) IN THE SENATE.—

(A) INTRODUCTION AND REFERRAL.—

(i) IN GENERAL.—A highway and mass transit funding resolution introduced in the Senate shall be referred (for a period not to exceed 5 days of session, following the date of introduction) first to the Committee on Environment and Public Works and then to the Committee on Banking, Housing, and Urban Affairs. If either committee fails to report the joint resolution within that period, that committee shall be automatically discharged from consideration of the resolution. In the case of the Committee on Environment and Public Works being discharged, the resolution shall then be referred to the Committee on Banking, Housing, and Urban Affairs. In the case of the Committee on Banking, Housing, and Urban Affairs being discharged, the resolution shall be placed on the Calendar.

(ii) MEASURE FROM THE HOUSE.—When the Senate receives from the House of Representatives a highway and mass transit funding joint resolution, such resolution shall not be referred to committee and shall be placed on the Calendar.

(B) LIMITATION ON AMENDMENTS.—Amendments to a highway and mass transit funding joint resolution considered under this section shall be limited to those amendments which either increase or decrease dollar amounts specified in the resolution; but in no case shall such an amendment exceed the levels set out in subsection (c). No motion to suspend the application of this subsection shall be in order, nor shall it be in order in either House for the presiding officer to entertain a request to suspend the application of this subsection by unanimous consent.

(C) FLOOR CONSIDERATION.—

(i) MOTION TO PROCEED.—A motion to proceed to the consideration of a highway and mass transit funding joint resolution under this subsection shall not be debatable. It shall not be in order to move to reconsider the vote by which the motion to proceed was adopted or rejected, although subsequent motions to proceed may be made under this paragraph.

(ii) TIME FOR CONSIDERATION.—After no more than 10 hours of consideration of a highway and mass transit funding joint resolution, the Senate shall proceed, without intervening action or debate to vote on the final disposition thereof to the exclusion of all motions, except a motion to reconsider or to table. The time for consideration shall be equally divided and controlled by the Majority Leader and the Minority Leader or their designees. A motion to recommit a highway and mass transit funding joint resolution shall not be in order.

(iii) POINTS OF ORDER WAIVED.—All points of order against the highway and mass transit funding joint resolution are waived.

(D) JOINT RESOLUTION FROM THE HOUSE OF REPRESENTATIVES.—If prior to the conclusion of consideration pursuant to subparagraph (C)(ii) of a highway and mass transit funding joint resolution originated in the Senate, the Senate receives from the House of Representatives a highway and mass transit funding joint resolution, it shall be in order at the

conclusion of consideration of the Senate measure, without any intervening action or debate to proceed to the consideration of the House of Representatives measure, read it for the third time and vote on final disposition thereof to the exclusion of all motions, except a motion to reconsider or to table.

(E) SENATE MEASURE TO CALENDAR.—In the Senate, if a highway and mass transit funding joint resolution received from the House of Representatives is considered pursuant to subparagraph (D) then the Senate measure shall be returned to the Calendar.

(3) IN THE HOUSE OF REPRESENTATIVES.—

(4) APPLICATION OF EXPEDITED PROCEDURES.—The provisions of this subsection (including the wavier of all points of order under paragraph (2)(C)(iii)) shall only apply to a resolution that meets the definition of paragraph (1).

(5) SUNSET.—This subsection shall expire on September 30, 2003.

MCCONNELL (AND OTHERS) AMENDMENTS NOS. 1435–1438

(Ordered to lie on the table.)

Mr. MCCONNELL (for himself, Mr. GORTON, Mr. SESSIONS, Mr. HUTCHINSON, and Mr. ASHCROFT) submitted four amendments intended to be proposed by them to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1435

Beginning on page 77, strike line 16 and all that follows through page 79, line 13.

AMENDMENT NO. 1436

Beginning on page 77, strike line 16 and all that follows through page 79, line 13.

AMENDMENT NO. 1437

Strike section 1111 and insert the following:

SEC. 1111. EMERGING BUSINESS ENTERPRISE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) EMERGING BUSINESS ENTERPRISE.—The term ''emerging business enterprise'' means a business that—

(A) has gross receipts not greater than the numerical size standard that the Administrator of the Small Business Administration has made applicable to the standard industrial classification in which the business performs the majority of its work; and

(B) has bid for Federal surface transportation contracts and subcontracts for not more than 9 years.

(2) FEDERAL SURFACE TRANSPORTATION LAW.—The term ''Federal surface transportation law'' means the surface transportation provisions of this Act and titles 23 and 49, United States Code.

(3) PREFERENTIAL TREATMENT.—The term ''preferential treatment'' means the grant of an advantage to any person based on—

(A) any numerical goal, quota, timetable, benchmark, or set-aside, or other numerical objective, for the award of a contract or subcontract;

(B) any bid preference, cost preference, or price preference, including a bonus and an evaluation credit; or

(C) any requirement imposed in conjunction with any numerical objective for the award of a contract or subcontract.

(b) POLICY.—It is the policy of the United States to provide and encourage the maximum practicable opportunity for emerging business enterprises, including emerging business enterprises owned by members of a minority group based on race, color, or national origin (referred to in this section as ''minorities'') and women, to compete for prime contracts and subcontracts funded under Federal surface transportation law, consistent with the fifth and 14th amendments to the Constitution.

(c) REQUIREMENT FOR EMERGING BUSINESS ENTERPRISE DEVELOPMENT AND OUTREACH.—

(1) IN GENERAL.—Each State that receives funds made available under Federal surface transportation law shall engage in emerging business enterprise development and outreach to implement the policy set forth in subsection (b), including special outreach efforts to emerging business enterprises owned by minorities and women, consistent with this subsection and subsection (d), in carrying out programs under Federal surface transportation law.

(2) METHODS OF EMERGING BUSINESS ENTERPRISE DEVELOPMENT AND OUTREACH.—The emerging business enterprise development and outreach required to be engaged in by a State under paragraph (1) shall include—

(A) outreach to the emerging business enterprises in the construction industry in the State, and the recruitment of such enterprises, including—

(i) not less often than annually, a survey and a compilation of a list of such enterprises to determine the interest of the enterprises in performing prime contracts or subcontracts funded under Federal surface transportation law;

(ii) not less often than annually, publication of a directory of the emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law;

(iii) on a regular basis, publication of contract opportunities through the Commerce Business Daily and through systems such as the Pro-Net system of the Small Business Administration;

(iv) on a regular basis, offering of seminars and other educational programs on the contracting requirements and procedures of the State to emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law;

(v) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with other construction companies and with equipment dealers and material suppliers that support the construction industry in the State; and

(vi) each time that the State solicits bids or proposals for construction of a project funded under Federal surface transportation law—

(I) distribution of information on the project to emerging business enterprises interested in performing prime contracts or subcontracts for such projects in the relevant geographical area; and

(II) express encouragement of such enterprises to compete for the opportunity to construct all or part of the project;

(B) professional and technical services and assistance with any requirements for prequalification or bonding, including—

(i) not less often than annually, publication of a directory of the bonding companies that service the construction industry in the State;

(ii) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with the bonding companies that service the construction industry in the State;

(iii) on a regular basis, offering of seminars and other educational programs on—

(I) the purposes and criteria for prequalification and bonding; and

(II) the steps necessary to qualify a firm for bonding or to increase the firm's bonding limit;

(iv) on a regular basis, provision of accounting and other professional assistance to any emerging business enterprise that may require such assistance to qualify for bonding or to increase the firm's bonding limit; and

(v) on a regular basis, provision of information to emerging business enterprises regarding programs to guarantee a surety against loss resulting from the breach of the terms of a bond by an emerging business enterprise, including the program carried out by the Small Business Administration under part B of title IV of the Small Business Investment Act of 1958 (15 U.S.C. 694a et seq.);

(C) professional and technical services and assistance with risk management and any insurance that the State may encourage or require contractors or subcontractors to carry, including—

(i) not less often than annually, publication of a directory of the insurance companies that service the construction industry in the State;

(ii) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with the insurance companies that service the construction industry in the State; and

(iii) on a regular basis, offering of seminars and other educational programs on—

(I) risk management; and

(II) the steps necessary to obtain appropriate insurance, including any insurance that the State may require;

(D) professional and technical services and assistance with financial matters, including—

(i) not less often than annually, publication of a directory of the financial institutions that service the construction industry in the State;

(ii) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with the financial institutions that service the construction industry in the State;

(iii) on a regular basis, offering of seminars and other educational programs on construction financing and the steps necessary to qualify a firm for a line of credit or increase the firm's credit limit; and

(iv) on a regular basis, provision of accounting and other professional assistance to any emerging business enterprise that may require such assistance to qualify for a line of credit or to increase the firm's credit limit;

(E) professional and technical services and assistance with general business management, estimating, bidding, and construction means and methods, including—

(i) on a regular basis, offering of seminars and other educational programs on general business management, estimating, bidding, and construction means and methods; and

(ii) on a regular basis, distribution, to all emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law, of information on seminars and other educational programs offered by other entities on general business management, estimating, bidding, and construction means and methods;

(F) periodic review of the State's construction plans and specifications to the extent necessary to ensure that the plans and specifications reflect the State's actual requirements; and

(G) periodic review by States of the implementation and impact of emerging business enterprise development and outreach efforts under this subsection, including an assessment of the impact of the efforts on the overall competitiveness of emerging business enterprises owned by minorities and women through consideration of factors such as—

(i) working capital;

(ii) net profit;

(iii) bonding capacity; and

(iv) graduation rates from the emerging business enterprise program under this section.

(3) REVIEW BY COMPTROLLER GENERAL.—The Comptroller General of the United States shall conduct a biennial review and publish findings and conclusions on the nationwide impact of the emerging business enterprise development and outreach efforts under this subsection, including an assessment of the impact of the efforts on the overall competitiveness of emerging business enterprises owned by minorities and women through consideration of factors such as the factors specified in paragraph (2)(G).

(d) PROHIBITION ON DISCRIMINATION OR PREFERENTIAL TREATMENT.—No person in the United States shall, on the basis of race, color, national origin, or sex, be subjected to discrimination or provided preferential treatment under any program or project (carried out directly or by grant or contract) receiving Federal financial assistance under this Act or any amendment made by this Act.

(e) STATUTORY CONSTRUCTION.—Nothing in subsection (b), (c), or (d) shall be construed—

(1) in any way to limit or restrain the power of the judicial branch to order remedial relief to victims of discrimination under the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.) or any other Federal statute; or

(2) to prohibit the Federal Government or any State or local government, consistent with subsection (d), from—

(A) encouraging enterprises owned by women and minorities to bid for contracts or subcontracts;

(B) requiring or encouraging any contractor or subcontractor to encourage enterprises owned by women and minorities to bid for contracts or subcontracts; or

(C) establishing overall annual goals for the participation of emerging business enterprises, including emerging business enterprises owned by minorities and women, in the emerging business enterprise development and outreach under subsection (c).

AMENDMENT NO. 1438

Strike section 1111 and insert the following:

SEC. 1111. EMERGING BUSINESS ENTERPRISE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) EMERGING BUSINESS ENTERPRISE.—The term ''emerging business enterprise'' means a business that—

(A) has gross receipts not greater than the numerical size standard that the Administrator of the Small Business Administration has made applicable to the standard industrial classification in which the business performs the majority of its work; and

(B) has bid for Federal surface transportation contracts and subcontracts for not more than 9 years.

(2) FEDERAL SURFACE TRANSPORTATION LAW.—The term ''Federal surface transportation law'' means the surface transportation provisions of this Act and titles 23 and 49, United States Code.

(3) PREFERENTIAL TREATMENT.—The term ''preferential treatment'' means the grant of an advantage to any person based on—

(A) any numerical goal, quota, timetable, benchmark, or set-aside, or other numerical objective, for the award of a contract or subcontract;

(B) any bid preference, cost preference, or price preference, including a bonus and an evaluation credit; or

(C) any requirement imposed in conjunction with any numerical objective for the award of a contract or subcontract.

(b) POLICY.—It is the policy of the United States to provide and encourage the maximum practicable opportunity for emerging business enterprises, including emerging business enterprises owned by members of a minority group based on race, color, or national origin (referred to in this section as ''minorities'') and women, to compete for prime contracts and subcontracts funded under Federal surface transportation law, consistent with the fifth and 14th amendments to the Constitution.

(c) REQUIREMENT FOR EMERGING BUSINESS ENTERPRISE DEVELOPMENT AND OUTREACH.—

(1) IN GENERAL.—Each State that receives funds made available under Federal surface transportation law shall engage in emerging business enterprise development and outreach to implement the policy set forth in subsection (b), including special outreach efforts to emerging business enterprises owned by minorities and women, consistent with this subsection and subsection (d), in carrying out programs under Federal surface transportation law.

(2) METHODS OF EMERGING BUSINESS ENTERPRISE DEVELOPMENT AND OUTREACH.—The emerging business enterprise development and outreach required to be engaged in by a State under paragraph (1) shall include—

(A) outreach to the emerging business enterprises in the construction industry in the State, and the recruitment of such enterprises, including—

(i) not less often than annually, a survey and a compilation of a list of such enterprises to determine the interest of the enterprises in performing prime contracts or subcontracts funded under Federal surface transportation law;

(ii) not less often than annually, publication of a directory of the emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law;

(iii) on a regular basis, publication of contract opportunities through the Commerce Business Daily and through systems such as the Pro-Net system of the Small Business Administration;

(iv) on a regular basis, offering of seminars and other educational programs on the contracting requirements and procedures of the State to emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law;

(v) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with other construction companies and with equipment dealers and material suppliers that support the construction industry in the State; and

(vi) each time that the State solicits bids or proposals for construction of a project funded under Federal surface transportation law—

(I) distribution of information on the project to emerging business enterprises interested in performing prime contracts or subcontracts for such projects in the relevant geographical area; and

(II) express encouragement of such enterprises to compete for the opportunity to construct all or part of the project;

(B) professional and technical services and assistance with any requirements for prequalification or bonding, including—

(i) not less often than annually, publication of a directory of the bonding companies that service the construction industry in the State;

(ii) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with the bonding companies that service the construction industry in the State;

(iii) on a regular basis, offering of seminars and other educational programs on—

(I) the purposes and criteria for prequalification and bonding; and

(II) the steps necessary to qualify a firm for bonding or to increase the firm's bonding limit;

(iv) on a regular basis, provision of accounting and other professional assistance to any emerging business enterprise that may require such assistance to qualify for bonding or to increase the firm's bonding limit; and

(v) on a regular basis, provision of information to emerging business enterprises regarding programs to guarantee a surety against loss resulting from the breach of the terms of a bond by an emerging business enterprise, including the program carried out by the Small Business Administration under part B of title IV of the Small Business Investment Act of 1958 (15 U.S.C. 694a et seq.);

(C) professional and technical services and assistance with risk management and any insurance that the State may encourage or require contractors or subcontractors to carry, including—

(i) not less often than annually, publication of a directory of the insurance companies that service the construction industry in the State;

(ii) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with the insurance companies that service the construction industry in the State; and

(iii) on a regular basis, offering of seminars and other educational programs on—

(I) risk management; and

(II) the steps necessary to obtain appropriate insurance, including any insurance that the State may require;

(D) professional and technical services and assistance with financial matters, including—

(i) not less often than annually, publication of a directory of the financial institutions that service the construction industry in the State;

(ii) on a regular basis, provision of opportunities for emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law to meet and interact with the financial institutions that service the construction industry in the State;

(iii) on a regular basis, offering of seminars and other educational programs on construction financing and the steps necessary to qualify a firm for a line of credit or increase the firm's credit limit; and

(iv) on a regular basis, provision of accounting and other professional assistance to any emerging business enterprise that may require such assistance to qualify for a line of credit or to increase the firm's credit limit;

(E) professional and technical services and assistance with general business management, estimating, bidding, and construction means and methods, including—

(i) on a regular basis, offering of seminars and other educational programs on general business management, estimating, bidding, and construction means and methods; and

(ii) on a regular basis, distribution, to all emerging business enterprises interested in performing prime contracts or subcontracts funded under Federal surface transportation law, of information on seminars and other educational programs offered by other entities on general business management, estimating, bidding, and construction means and methods;

(F) periodic review of the State's construction plans and specifications to the extent necessary to ensure that the plans and specifications reflect the State's actual requirements; and

(G) periodic review by States of the implementation and impact of emerging business enterprise development and outreach efforts under this subsection, including an assessment of the impact of the efforts on the overall competitiveness of emerging business enterprises owned by minorities and women through consideration of factors such as—

(i) working capital;

(ii) net profit;

(iii) bonding capacity; and

(iv) graduation rates from the emerging business enterprise program under this section.

(3) REVIEW BY COMPTROLLER GENERAL.—The Comptroller General of the United States shall conduct a biennial review and publish findings and conclusions on the nationwide impact of the emerging business enterprise development and outreach efforts under this subsection, including an assessment of the impact of the efforts on the overall competitiveness of emerging business enterprises owned by minorities and women through consideration of factors such as the factors specified in paragraph (2)(G).

(d) PROHIBITION ON DISCRIMINATION OR PREFERENTIAL TREATMENT.—No person in the United States shall, on the basis of race, color, national origin, or sex, be subjected to discrimination or provided preferential treatment under any program or project (carried out directly or by grant or contract) receiving Federal financial assistance under this Act or any amendment made by this Act.

(e) STATUTORY CONSTRUCTION.—Nothing in subsection (b), (c), or (d) shall be construed—

(1) in any way to limit or restrain the power of the judicial branch to order remedial relief to victims of discrimination under the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.) or any other Federal statute; or

(2) to prohibit the Federal Government or any State or local government, consistent with subsection (d), from—

(A) encouraging enterprises owned by women and minorities to bid for contracts or subcontracts;

(B) requiring or encouraging any contractor or subcontractor to encourage enterprises owned by women and minorities to bid for contracts or subcontracts; or

(C) establishing overall annual goals for the participation of emerging business enterprises, including emerging business enterprises owned by minorities and women, in the emerging business enterprise development and outreach under subsection (c).

DORGAN AMENDMENT NO. 1439

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill, S. 1173, supra; as follows:

Beginning on page 225, strike line 12 and all that follows through page 226, line 7, and insert the following:

''(5) REPEAT INTOXICATED DRIVER LAW.—The term 'repeat intoxicated driver law' means a State law that provides, as a minimum penalty, that an individual convicted of—

''(A) a second offense for driving while intoxicated or driving under the influence within 10 years of a previous conviction for that offense shall receive—

''(i) suspension of the individual's driver's license for not less than 1 year;

''(ii) mandatory impoundment of a vehicle owned by the individual for not less than 30 days;

''(iii) an assignment of not less than 180 days of community service; and

''(iv) mandatory alcohol abuse treatment;

''(B) a third offense for driving while intoxicated or driving under the influence within 10 years of a previous conviction for that offense shall receive—

''(i) permanent revocation of the individual's driver's license;

''(ii) mandatory forfeiture of a vehicle owned by the individual;

''(iii) an assignment of not less than 1 year of community service; and

''(iv) mandatory alcohol abuse treatment; and

''(C) a fourth or subsequent offense for driving while intoxicated or driving under the influence within 10 years of a previous conviction for that offense shall be imprisoned not more than 5 years, fined not more than $500,000, or both.

DORGAN (AND OTHERS) AMENDMENT NO. 1440

(Ordered to lie on the table.)

Mr. DORGAN (for himself, Mr. LAUTENBERG, Mr. BUMPERS, and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to the bill, S. 1173, supra; as follows:

At the end of subtitle D of title I, add the following:

SEC. 14 . OPEN CONTAINER LAWS.

(a) ESTABLISHMENT.—Chapter 1 of title 23, United States Code, is amended by inserting after section 153 the following:

§ 154. Open container requirements

''(a) DEFINITIONS.—In this section:

''(1) ALCOHOLIC BEVERAGE.—The term 'alcoholic beverage' has the meaning given the term in section 158(c).

''(2) MOTOR VEHICLE.—The term 'motor vehicle' means a vehicle driven or drawn by mechanical power and manufactured primarily for use on public highways, but does not include a vehicle operated exclusively on a rail or rails.

''(3) OPEN ALCOHOLIC BEVERAGE CONTAINER.—The term 'open alcoholic beverage container' has the meaning given the term in section 410(i).

''(4) PASSENGER AREA.—The term 'passenger area' shall have the meaning given the term by the Secretary by regulation.

''(b) PENALTY.—

''(1) GENERAL RULE.—

''(A) FISCAL YEAR 2000.—If, at any time in fiscal year 2000, a State does not have in effect a law described in subsection (c), the Secretary shall transfer 1.5 percent of the funds apportioned to the State for fiscal year 2001 under each of paragraphs (1)(A), (1)(C), and (3) of section 104(b) to the apportionment of the State under section 402.

''(B) FISCAL YEARS THEREAFTER.—If, at any time in a fiscal year beginning after September 30, 2000, a State does not have in effect a law described in subsection (c), the Secretary shall transfer 3 percent of the funds apportioned to the State for the following fiscal year under each of paragraphs (1)(A), (1)(C), and (3) of section 104(b) to the apportionment of the State under section 402.

''(c) OPEN CONTAINER LAWS.—

''(1) IN GENERAL.—For the purposes of this section, each State shall have in effect a law that prohibits the possession of any open alcoholic beverage container, or the consumption of any alcoholic beverage, in the passenger area of any motor vehicle (including possession or consumption by the driver of the vehicle) located on a public highway, or the right-of-way of a public highway, in the State.

''(2) MOTOR VEHICLES DESIGNATED TO TRANSPORT MANY PASSENGERS.—For the purposes of this section, if a State has in effect a law that makes unlawful the possession of any open alcoholic beverage container in the passenger area by the driver (but not by a passenger) of a motor vehicle designed to transport more than 10 passengers (including the driver) while being used to provide charter transportation of passengers, the State shall be deemed to have in effect a law described in this subsection with respect to such a motor vehicle for each fiscal year during which the law is in effect.

''(d) FEDERAL SHARE—The Federal share of the cost of a project carried out under section 402 with funds transferred under subsection (b) to the apportionment of a State under section 402 shall be 100 percent.

''(c) TRANSFER OF OBLIGATION AUTHORITY.—

''(1) IN GENERAL.—If the Secretary transfers under subsection (b) any funds to the apportionment of a State under section 402 for a fiscal year, the Secretary shall allocate to the State an amount, determined under paragraph (2), of obligation authority distributed for the fiscal year for Federal-aid highways and highway safety construction programs for carrying out projects under section 402.

''(2) AMOUNT.—The amount of obligation authority referred to in paragraph (1) shall be determined by multiplying—

''(A) the amount of funds transferred under subsection (b) to the apportionment of the State under section 402 for the fiscal year; by

''(B) the ratio that—

''(i) the amount of obligation authority distributed for the fiscal year to the State for Federal-aid highways and highway safety construction programs; bears to

''(ii) the total of the sums apportioned to the State for Federal-aid highways and highway safety construction programs (excluding sums not subject to any obligation limitation) for the fiscal year.

''(f) LIMITATION ON APPLICABILITY OF HIGHWAY SAFETY OBLIGATIONS.—Notwithstanding any other provision of law, no limitation on the total of obligations for highway safety programs under section 402 shall apply to funds transferred under subsection (b) to the apportionment of a State under section 402.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 153 the following:

''154. Open container requirements.''

CHAFEE AMENDMENTS NOS. 1441–1458

(Ordered to lie on the table.)

Mr. CHAFEE submitted 18 amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1441

On page 130, line 6, insert ''and classified pursuant to sections 181(a) or 186(a) of the Clean Air Act (42 U.S.C. 7511(a) or 7512(a))'' before ''or classified as''.

AMENDMENT NO. 1442

On page 86, after line 25, add the following:

(c) IMPLEMENTATION OF PROVISIONS.—Nothing in any amendment made by subsection (a) affects the implementation of any provision of title 23, United States Code, or any regulation issued under that provision.

AMENDMENT NO. 1443

On page 43, between lines 12 and 13, insert the following:

''(xi) amounts set aside under section 104(d) for operation lifesaver and railway-highway crossing hazard elimination in high speed rail corridors; and''.

AMENDMENT NO. 1444

Beginning on page 7, strike line 16 and all that follows through line 20.

AMENDMENT NO. 1445

On page 218, between lines 9 and 10, insert the following:

(e) AVAILABILITY SUBJECT TO APPROPRIATIONS ACTS.—Funds made available under this chapter shall be available only to the extent provided in appropriations acts.

AMENDMENT NO. 1446

On page 5, strike lines 15 through 20 and insert the following:

title $11,977,000,000 for fiscal year 1998,
title $11,949,000,000 for fiscal year 1999,
title $11,922,000,000 for fiscal year 2000,
title $11,950,000,000 for fiscal year 2001,
title $12,242,000,000 for fiscal year 2002, and
$12,659,000,000 for fiscal year 2003, of which—

AMENDMENT NO. 1447

On page 5, strike lines 15 through 20 and insert the following:

title $11,977,000,000 for fiscal year 1998,
title $11,949,000,000 for fiscal year 1999,
title $11,922,000,000 for fiscal year 2000,
title $11,950,000,000 for fiscal year 2001,
title $12,242,000,000 for fiscal year 2002, and
$12,659,000,000 for fiscal year 2003, of which—

On page 10, line 9, insert ''and for the purposes specified in subparagraph (A),'' before ''in the ratio''.

On page 159, line 21, strike ''selection'' and insert ''bidding''.

On page 159, line 22, before the period, insert the following: ''in accordance with subparagraph (C)''.

On page 160, line 16, strike the quotation marks and the following period.

On page 160, between lines 16 and 17, insert the following:

''(C) PROCEDURES THAT MAY BE APPROVED.—Under subparagraph (A), the Secretary may approve, for use by a State, only procedures that consist of—

''(i) formal design-build contracting procedures specified in a State statute; or

''(ii) in the case of a State that does not have a statute described in clause (i), the design-build selection procedures authorized under section 303M of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253m).''.

On page 161, line 14, strike ''selection'' and insert ''competitive bidding''.

On page 206, strike lines 15 through 19 and insert the following:

(6) NONSUBORDINATION.—The secured loan shall not be subordinated to the claims of any holder of project obligations in the event of liquidation of the assets of the obligor.

On page 206, between lines 23 and 24, insert the following:

(8) NON-FEDERAL SHARE.—The proceeds of a secured loan under this chapter may be used for any non-Federal share of project costs required under title 23 or chapter 53 of title 49, United States Code, if the loan is repayable from non-Federal funds.

On page 212, strike lines 6 through 9 and insert the following:

(8) NONSUBORDINATION.—A direct loan under this section shall not be subordinated to the claims of any holder of project obligations in the event of liquidation of the assets of the obligor.

On page 217, after line 20, strike ''$2,000,000,000'' each place it appears and insert ''$2,300,000,000''.

On page 219, line 13, strike ''authorized to be appropriated'' and insert ''made available''.

On page 227, strike lines 5 through 13 and insert the following:

''(2) FISCAL YEAR 2003 AND FISCAL YEARS THEREAFTER.—

''(A) IN GENERAL.—On October 1, 2002, and each October 1 thereafter, if a State has not enacted or is not enforcing a repeat intoxicated driver law, the Secretary shall transfer an amount equal to 3 percent of the funds apportioned to the State on that date under paragraphs (1) and (3) of section 104(b) to the apportionment of the State under section 402 to be used for alcohol-impaired driving programs.

''(B) DERIVATION OF AMOUNT TO BE TRANSFERRED.—An amount transferred under subparagraph (A) may be derived—

''(i) from the apportionment of the State under section 104(b)(1);

''(ii) from the apportionment of the State under section 104(b)(3); or

''(iii) partially from the apportionment of the State under section 104(b)(1) and partially from the apportionment of the State under section 104(b)(3).

On page 294, lines 12 and 13, strike ''paragraphs (1) and (3) of section 104(b)'' and insert ''section 104(b)(1)''.

On page 340, line 8, strike ''subsection'' and insert ''section''.

On page 343, line 4, strike ''subsection'' and insert ''section''.

On page 403, strike lines 11 through 13 and insert the following:

''(B) electronic processing of registration information, driver licensing information, fuel tax information, inspection and crash data, and other safety information; and

On page 414, line 5, strike ''that'' and insert ''only if the technologies''.

On page 415, line 14, strike ''$110,000,000'' and insert ''$109,000,000''.

AMENDMENT NO. 1448

At the end of subtitle A of title I, add the following:

SEC. 11 . ADDITIONAL AUTHORIZATIONS OF APPROPRIATIONS.

(a) AMOUNTS.—For each of fiscal years 1999 through 2003, of the amounts made available under subsection (c)—

(2) the remainder of the amounts shall be apportioned among the States so that each State's percentage of the remainder for a fiscal year is equal to the State's percentage of the sum of—

(A) the total apportionments made under section 1102 and the amendments made by section 1102; and

(B) the total amounts made available for metropolitan planning under section 104(f) of title 23, United States Code;

for the current fiscal year.

(b) OBLIGATION OF AMOUNTS.—Amounts apportioned under subsection (a)(2)—

(1) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(A) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(B) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(2) shall be available for any purpose eligible for funding under section 133 of that title; and

(3) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section—

(2) $6,000,000,000 for fiscal year 1999;
(3) $6,000,000,000 for fiscal year 2000;
(4) $6,000,000,000 for fiscal year 2001;
(5) $6,000,000,000 for fiscal year 2002; and
(6) $6,000,000,000 for fiscal year 2003;

AMENDMENT NO. 1449

On page 104, strike lines 4 through 19 and insert the following:

(b) REMOVAL OF CORRIDOR.—Section 201(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking ''(b) The Commission'' and inserting the following:

''(b) DESIGNATIONS.—

''(1) IN GENERAL.—The Commission''; and

(3) by adding at the end the following:

''(2) REMOVAL OF CORRIDOR.—The Appalachian development highway system shall not include Corridor H in Virginia.''.

AMENDMENT NO. 1450

On page 7, strike lines 16 through 20.

On page 43, line 12, strike ''and''.

On page 43, line 13, strike ''(xi)'' and insert ''(xii)''.

On page 85, line 10, strike ''sections 103 and'' and insert ''section''.

On page 92, line 5, strike ''(2)'' and insert ''(1)''.

On page 92, line 11, strike ''(3)'' and insert ''(2)''.

On page 92, line 17, strike ''(4)'' and insert ''(3)''.

On page 93, line 3, strike ''(5)'' and insert ''(4)''.

On page 93, line 6, strike ''(6)'' and insert ''(5)''.

On page 290, line 24, strike ''agencies'' and insert ''departments''.

Beginning on page 91, strike line 24 and all that follows through page 92, line 4.

AMENDMENT NO. 1451

On page 105, strike lines 17 through 20 and insert the following:

''(B) OBLIGATION AUTHORITY.—For each fiscal year, the Secretary shall provide obligation authority for the amount made available under subparagraph (A) in an amount equal to the product obtained by multiplying—

''(i) the amount made available for the fiscal year under subparagraph (A); by

''(ii) the ratio that—

''(I) the amount of obligation authority made available for Federal-aid highways and highway safety construction programs under appropriations Acts for the fiscal year; bears to

''(II) the total of the sums made available for Federal-aid highways and highway safety construction programs for the fiscal year.''

AMENDMENT NO. 1452

Beginning on page 225, strike line 12 and all that follows through page 227, line 13 and insert the following:

''(5) REPEAT INTOXICATED DRIVER LAW.—The term 'repeat intoxicated driver law' means a State law that provides, as a minimum penalty, that—

''(A) an individual convicted of a first offense for driving while intoxicated or driving under the influence shall receive a driver's license suspension for not less than 180 days;

''(B) an individual convicted of a second offense for driving while intoxicated or driving under the influence within 10 years after a previous conviction for that offense whose alcohol concentration with respect to the second offense was determined on the basis of a chemical test to be prohibited under State law shall receive—

''(i) a driver's license suspension for not less than 1 year;

''(ii) an assessment of the individual's degree of abuse of alcohol and treatment as appropriate; and

''(iii)(I) an assignment of not less than 30 days of community service; or

''(II) not less than 5 days of imprisonment; and

''(C) an individual convicted of a third or subsequent offense for driving while intoxicated or driving under the influence within 10 years after the previous conviction for that offense whose alcohol concentration with respect to the previous offense was determined on the basis of a chemical test to be prohibited under State law shall—

''(i) receive a permanent driver's license revocation; and

''(ii) be subject to—

''(I) vehicle forfeiture; or

''(II) installation of an ignition interlock system.

''(b) TRANSFER OF FUNDS.—

''(1) FISCAL YEARS 2001 AND 2002.—

''(A) IN GENERAL.—On October 1, 2000, and October 1, 2001, if a State has not enacted or is not enforcing a repeat intoxicated driver law, the Secretary shall transfer an amount equal to 1½ percent of the funds apportioned to the State on that date under paragraphs (1) and (3) of section 104(b) to the apportionment of the State under section 402—

''(i) to be used for alcohol-impaired driving countermeasures; or

''(ii) to be directed to State and local law enforcement agencies for enforcement of laws prohibiting driving while intoxicated or driving under the influence and other related laws (including regulations), including the purchase of equipment, the training of officers, and the use of additional personnel for specific alcohol-impaired driving countermeasures, dedicated to enforcement of the laws (including regulations).

''(B) DERIVATION OF AMOUNT TO BE TRANSFERRED.—An amount transferred under subparagraph (A) may be derived—

''(i) from the apportionment of the State under section 104(b)(1);

''(ii) from the apportionment of the State under section 104(b)(3); or

''(iii) partially from the apportionment of the State under section 104(b)(1) and partially from the apportionment of the State under section 104(b)(3).

''(2) FISCAL YEAR 2003 AND FISCAL YEARS THEREAFTER.—

''(A) IN GENERAL.—On October 1, 2002 and each October 1 thereafter, if a State has not enacted or is not enforcing a repeat intoxicated driver law, the Secretary shall transfer 3 percent of the funds apportioned to the State on that date under each of paragraphs (1) and (3) of section 104(b) to the apportionment of the State under section 402—

''(i) to be used for alcohol-impaired driving countermeasures; or

''(ii) to be directed to State and local law enforcement agencies for enforcement of laws prohibiting driving while intoxicated or driving under the influence and other related laws (including regulations), including the purchase of equipment, the training of officers, and the use of additional personnel for specific alcohol-impaired driving countermeasures, dedicated to enforcement of the laws (including regulations).

''(B) DERIVATION OF AMOUNT TO BE TRANSFERRED.—An amount transferred under subparagraph (A) may be derived—

''(i) from the apportionment of the State under section 104(b)(1);

''(ii) from the apportionment of the State under section 104(b)(3); or

''(iii) partially from the apportionment of the State under section 104(b)(1) and partially from the apportionment of the State under section 104(b)(3).''

AMENDMENT NO. 1453

Beginning on page 91, strike line 24 and all that follows through page 92, line 4.

AMENDMENT NO. 1454

On page 7, strike lines 16 through 20.

On page 43, line 12, strike ''and''.

Beginning on page 91, strike line 24 and all that follows through page 92, line 4.

AMENDMENT NO. 1455

On page 8, line 20, after ''139(a)'', insert the following: ''(as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

On page 275, line 8, insert ''in the transportation improvement program'' after ''individually''.

On page 275, line 13, insert ''in the transportation improvement program'' after ''individually''.

On page 265, line 17, insert ''with respect to a transportation management area'' after ''(A)''.

On page 265, line 19, insert ''for the transportation management area'' before ''complies''.

AMENDMENT NO. 1456

On page 301, line 11, strike ''program''.

AMENDMENT NO. 1457

On page 266, line 11, strike ''metropolitan'' and insert ''transportation management''.

On page 266, lines 12 and 13, strike ''metropolitan planning organization'' and insert ''transportation management area''.

On page 8, lines 5 and 6, strike ''National Highway System'' and insert ''Interstate and National Highway System program''.

On page 357, line 1, strike ''SET ASIDE'' and insert ''SET-ASIDE''.

On page 266, lines 3 and 4, strike ''metropolitan planning process is not certified,'' and insert ''transportation management area is not certified under subparagraph (A),''.

AMENDMENT NO. 1458

On page 43, line 12, strike ''and''.

On page 43, between lines 15 and 16, insert the following:

''(xii) amounts set aside under section 104(d) for operation lifesaver and railway-highway crossing hazard elimination in high speed rail corridors; and''.

MOYNIHAN AMENDMENTS NOS. 1459–1492

(Ordered to lie on the table.)

Mr. MOYNIHAN submitted 34 amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1459

Beginning on page 21, strike line 15 and all that follows through page 23, line 8, and insert the following:

''(C) the total apportionments for fiscal year 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

''(i) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240):

''(ii) apportionments for the Federal lands highways program under section 204 of that title; and

''(iii) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943):

''(D) the product obtained by multiplying—

''(i) the annual average of the total apportionments determined under subparagraph (B); and

''(ii) the applicable percentage determined under paragraph (2); and

''(E) the product obtained by multiplying—

''(i) the total apportionments determined under subparagraph (C); by

''(ii) the applicable percentage determined under paragraph (2).

''(2) APPLICABLE PERCENTAGES.—

''(A) FISCAL YEAR 1998.—For fiscal year 1998—

''(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

''(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 103 percent.

Beginning on page 26, strike line 14 and all that follows through page 27, line 12, and insert the following:

''(ii) the product determined with respect to the State under paragraph (1)(E).

On page 30, strike lines 17 through 18 and insert the following: table:

''State	*Percentage*
Alaska	1.24
Arkansas	1.33
Delaware	0.47
Hawaii	0.55
Idaho	0.82
Maine	0.57
Montana	1.06
Nevada	0.73
New Hampshire	0.52
New Jersey	2.41
New Mexico	1.05
North Dakota	0.73
Rhode Island	0.58
South Dakota	0.78
Vermont	0.47
West Virginia	1.05
Wyoming	0.76

''(b) TREATMENT OF ALLOCATIONS.—

AMENDMENT NO. 1460

Beginning on page 21, strike line 15 and all that follows through page 23, line 15, and insert the following:

''(C) the product obtained by multiplying—

''(i) the annual average of the total apportionments determined under subparagraph (B); by

''(ii) the applicable percentage determined under paragraph (2); and

''(D) the product obtained by multiplying—

''(i) annual average of total apportionments determined under subparagraph (B); by

''(ii) the applicable percentage determined under paragraph (2).

''(2) APPLICABLE PERCENTAGES.—

''(A) FISCAL YEAR 1998.—For fiscal year 1998—

''(i) the applicable percentage referred to in paragraph (1)(C)(ii) shall be 145 percent; and

''(ii) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 107 percent.

''(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(C)(ii) of (1)(D)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

On page 24, line 10, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 24, line 19, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 26, line 17, strike ''(1)(E)'' and insert ''(1)(D)''.

On page 28, line 20, insert the following:

''(5) Notwithstanding any other provision of this subsection, in each of the fiscal years 1998 through 2003, funds apportioned under this subsection shall not increase Massachusetts's share to more than 75 percent of its total fiscal year 1997 Federal-aid highway apportionment.'' On page 30, line 11, strike ''1102(c)(1)(D)'' and insert ''1102(c)(1)C)''.

AMENDMENT NO. 1461

On page 21, strike line 8 and all that follows through page 23, line 14, and insert the following:

''(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

''(i) apportionments authorized under section 104 of that title for the construction of the Interstate System;

''(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

''(iii) apportionments for the Federal lands highways program under section 204 of that title; and

''(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943); Interstate substitute

''(C) The product obtained by multiplying—

''(i) the annual average of the total apportionments determined under subparagraph (B); by

''(ii) the applicable percentage determined under paragraph (2).

''(D) The product obtained by multiplying—

''(i) the annual average of the total apportionments determined under subparagraph (B); by

''(ii) the applicable percentage determined under paragraph (2).

''(2) APPLICABLE PERCENTAGES.—

''(A) FISCAL YEAR 1998.—For fiscal year—

''(i) the applicable percentage referred to in paragraph (1)(C)(ii) shall be 145 percent; and

''(ii) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 107 percent.

''(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 to 2003, the applicable percentage referred to in paragraph (1)(C)(ii) or (1)(D)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—''.

On page 24, line 10, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 24, line 19, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 26, line 17, strike ''(1)(E)'' and insert ''(1)(D)''.

On page 30, line 11, strike ''1102(c)(1)(C)'' and insert ''1102(c)(1)(C)''.

AMENDMENT NO. 1462

On page 39, line 9, strike all that follows through line 16 and redesignate the following subparagraphs (B) through (H) as (A) through (G).

On page 43, line 3, strike all that follows through line 8 and redesignate the following clauses (x) and (xi) as (ix) and (x).

AMENDMENT NO. 1463

On page 5, line 12 through page 7, line 2, strike and substitute the following in lieu thereof:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,788,000,000 for fiscal year 1998, $12,625,000,000 for fiscal year 1999, $12,644,000,000 for fiscal year 2000, $12,742,000,000 for fiscal year 2001, $13,045,000,000 for fiscal year 2002, and $13,595,000,000 for fiscal year 2003, of which—

''(A) $4,919,000,000 for fiscal year 1998, $4,934,000,000 for fiscal year 1999, $4,967,000,000 for fiscal year 2000, $5,004,000,000 for fiscal year 2001, $5,092,000,000 for fiscal year 2002, and $5,239,000,000 for fiscal year 2003 shall be used for Interstate maintenance component; and

''(B) $1,497,000,000 for fiscal year 1998, $1,502,000,000 for fiscal year 1999, $1,511,000,000 for fiscal year 2000, $1,524,000,000 for fiscal year 2001, $1,550,000,000 for fiscal year 2002, and $1,595,000,000 for fiscal year 2003 shall be used for Interstate bridge component.

''(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,474,000,000 for fiscal year 1998, $7,500,000,000 for fiscal year 1999, $7,549,000,000 for fiscal year 2000, $7,606,000,000 for fiscal year 2001, $7,740,000,000 for fiscal year 2002, and $7,974,000,000 for fiscal year 2003.

''(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,227,000,000 for fiscal year 1998, $1,231,000,000 for fiscal year 1999, $1,240,000,000 for fiscal year 2000, $1,250,000,000 for fiscal year 2001, $1,271,000,000 for fiscal year 2002, and $1,309,000,000 for fiscal year 2003.''

On page 29, strike lines 1 through page 30, line 17 and substitute the following:

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States specified in paragraph (3) amounts sufficient to ensure that the State's percentage of total apportionments for the fiscal year is—

''(A) not less than the percentage specified for the State in paragraph (3), but

''(B) not greater than the product determined for the State under section 1102(c)(1)(D) of the Intermodal Transportation Act of 1997 for the fiscal year.

''(2) TOTAL APPORTIONMENTS.—For the purposes of this paragraph each State's total apportionments for the fiscal year is defined as those made—

''(A) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and congestion mitigation and air quality improvement program; and

''(B) under section 1102(c) of the Intermodal Transportation Act of 1997 for ISTEA transition;

''(3) STATE PERCENTAGES.—The percentage referred to in paragraph (1)(A) for the specified State shall be determined in accordance with the following table:

''State	*Percentage*
Alaska	1.25
Arkansas	1.34
Delaware	0.48
Hawaii	0.56
Idaho	0.83
Montana	1.07
Nevada	0.74
New Hampshire	0.53
New Jersey	2.42
New Mexico	1.06
North Dakota	0.74
Rhode Island	0.59
South Dakota	0.79
Vermont	0.48
Wyoming	0.77

AMENDMENT NO. 1464

On page 5, line 12 through page 7, line 2, strike and substitute the following in lieu thereof:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,496,000,000 for fiscal year 1998, $12,332,000,000 for fiscal year 1999, $12,351,000,000 for fiscal year 2000, $12,447,000,000 for fiscal year 2001, $12,745,000,000 for fiscal year 2002, and $13,285,000,000 for fiscal year 2003, of which—

''(A) $4,799,000,000 for fiscal year 1998, $4,814,000,000 for fiscal year 1999, $4,846,000,000 for fiscal year 2000, $4,882,000,000 for fiscal year 2001, $4,969,000,000 for fiscal year 2002, and $5,114,000,000 for fiscal year 2003, shall be used for Interstate maintenance component; and

''(B) $1,460,000,000 for fiscal year 1998, $1,465,000,000 for fiscal year 1999, $1,474,000,000 for fiscal year 2000, $1,486,000,000 for fiscal year 2001, $1,512,000,000 for fiscal year 2002, and $1,557,000,000 for fiscal year 2003, shall be used for Interstate bridge component.

''(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,303,000,000 for fiscal year 1998, $7,325,000,000 for fiscal year 1999, $7,373,000,000 for fiscal year 2000, $7,430,000,000 for fiscal year 2001, $7,561,000,000 for fiscal year 2002, and $7,782,000,000 for fiscal year 2003.

''(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,200,000,000 for fiscal year 1998, $1,203,000,000 for fiscal year 1999, $1,211,000,000 for fiscal year 2000, $1,221,000,000 for fiscal year 2001, $1,242,000,000 for fiscal year 2002, and $1,279,000,000 for fiscal year 2003.''

On page 30, line 1 strike ''0.90'' and substitute ''0.85.''

On page 30, after line 17, replace the table with the following:

''State	*Percentage*
Alaska	1.25
Arkansas	1.34
Delaware	0.48
Hawaii	0.56
Idaho	0.83
Montana	1.07
Nevada	0.74
New Hampshire	0.53
New Jersey	2.42
New Mexico	1.06
North Dakota	0.74
Rhode Island	0.59
South Dakota	0.79
Vermont	0.48
Wyoming	0.77

AMENDMENT NO. 1465

On page 5, line 12 through page 7, line 2, strike and substitute the following in lieu thereof:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,051,000,000 for fiscal year 1998, $11,878,000,000 for fiscal year 1999, $11,890,000,000 for fiscal year 2000, $11,987,000,000 for fiscal year 2001, $12,316,000,000 for fiscal year 2002, and $12,857,000,000 for fiscal year 2003, of which—

''(A) $4,628,000,000 for fiscal year 1998, $4,636,000,000 for fiscal year 1999, $4,665,000,000 for fiscal year 2000, $4,702,000,000 for fiscal year 2001, $4,802,000,000 for fiscal year 2002, and $4,948,000,000 for fiscal year 2003 shall be used for Interstate maintenance component; and

''(B) $1,408,000,000 for fiscal year 1998, $1,411,000,000 for fiscal year 1999, $1,419,000,000 for fiscal year 2000, $1,432,000,000 for fiscal year 2001, $1,462,000,000 for fiscal year 2002, and $1,506,000,000 for fiscal year 2003 shall be used for Interstate bridge component.

''(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program

under section 133 of that title $7,042,000,000 for fiscal year 1998, $7,056,000,000 for fiscal year 1999, $7,098,000,000 for fiscal year 2000, $7,156,000,000 for fiscal year 2001, $7,307,000,000 for fiscal year 2002, and $7,529,000,000 for fiscal year 2003.

''(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,157,000,000 for fiscal year 1998, $1,159,000,000 for fiscal year 1999, $1,166,000,000 for fiscal year 2000, $1,176,000,000 for fiscal year 2001, $1,200,000,000 for fiscal year 2002, and $1,237,000,000 for fiscal year 2003.''

On page 29, strike lines 7 through page 29, line 19 and substitute the following in lieu thereof:

''(i) each State's percentage of total apportionments for the fiscal year under section 104 for the Interstate and National Highway System Program, the Surface Transportation Program, Metropolitan Planning, and the Congestion Mitigation and Air Quality Improvement Program; and bears to

On page 30, strike lines 2 through 6 and substitute the following in lieu thereof:

''(B) in the case of a State specified in paragraph (2) the State's percentage of total apportionments for the fiscal year described in clause (i) of subparagraph (A) plus the apportionments under section 1102(c) of the (Intermodal Surface Transportation Effciency Act of 1991 for ISTEA transition is—''.

AMENDMENT NO. 1466

On page 150, strike line 5 and insert the following:

(c) MINIMUM PER CAPITA INTERSTATE MAINTENANCE DISCRETIONARY PROGRAM.—

(1) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by inserting after section 119 the following:

''§ 119A. Minimum per capita Interstate maintenance discretionary program

''(a) IN GENERAL.—

''(1) ESTABLISHMENT.—There is established a minimum per capita Interstate maintenance discretionary program (referred to in this section as the 'program') to ensure that each State that receives, for any fiscal year, less than 90 percent of the national average Federal-aid highway program apportionments per capita has sufficient resources to preserve and enhance the routes on the Interstate System in the State.

''(2) USE OF FUNDS.—Funds available for the program—

''(A) shall be used to supplement apportionments for the Interstate maintenance component of the Interstate and National Highway System program; and

''(B) may be used for any project eligible for funding under section 119.

''(3) SELECTION OF PROJECTS.—Projects to be funded under the program shall be proposed by a State and selected by the Secretary.

''(b) ELIGIBILITY FOR PARTICIPATION.—

''(1) IN GENERAL.—Each State with respect to which the total apportionments per capita (as determined under paragraph (2)(A)) is less than 90 percent of the national average of the total apportionments per capita (as determined under paragraph (2)(B)) shall be eligible to receive an allocation under the program.

''(2) DETERMINATIONS.—For each fiscal year, with respect to each State, the Secretary shall determine—

''(A) the quotient obtained by dividing—

''(i) the sum of—

''(I) the amounts apportioned to the State under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) the amounts apportioned to the State under section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; by

''(ii) the population of the State (as determined based on the latest available annual estimates prepared by the Secretary of Commerce);

''(B) the quotient obtained by dividing—

''(i) the sum of the apportionments described in subparagraph (A)(i) to all States for the fiscal year; by

''(ii) the population of all of the States (as determined based on the latest available annual estimates prepared by the Secretary of Commerce); and

''(C) the difference between—

''(i) 90 percent of the amount determined under subparagraph (B); and

''(ii) the amount determined under subparagraph (A) with respect to the State.

''(c) ALLOCATION OF FUNDS FOR PROJECTS.—

''(1) DETERMINATION.—

''(A) IN GENERAL.—For each fiscal year, with respect to each State eligible under subsection (b)(1), the Secretary shall determine the percentage that—

''(i) the difference determined with respect to the eligible State under subsection (b)(2)(C); bears to

''(ii) the sum of the differences determined with respect to all eligible States.

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A) that is greater than 12 percent to 12 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i) among other eligible States in proportion to the percentages determined under subparagraph (A) with respect to those States.

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall allocate to each eligible State to carry out projects described in subsection (a)(2) an amount equal to the amount obtained by multiplying—

''(A) the percentage for the eligible State determined under paragraph (1); by

''(B) the amount of funds made available to carry out the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—

''(A) DEADLINES FOR SUBMISSION OF PROPOSED PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline shall not be earlier than January 1, 1998.

''(B) EFFECT OF FAILURE TO SUBMIT SUFFICIENT PROPOSED PROJECTS.—For each fiscal year, if a State does not have pending, by the deadline established under subparagraph (A), applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $100,000,000 for each of fiscal years 1998 through 2003.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 119 the following:

''119A. Minimum per capita Interstate maintenance discretionary program.''.

(d) CONFORMING AMENDMENTS.—

AMENDMENT NO. 1467

Beginning on page 7, strike line 4 and all that follows through page 91, line 21 and insert the following:

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $191,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $84,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than

bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of

the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 145 percent, and, in the case of each of fiscal years 1999 through 2003, 145 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall apportion to each State such additional amounts as are necessary to ensure that—

(i) the total apportionments to the State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of paragraph (3); is equal to

(ii) the greater of—

(I) the product determined with respect to the State under paragraph (1)(E); or

(II) the total apportionments to the State for fiscal year 1997 for all Federal-aid highway programs, excluding—

(aa) apportionments for the Federal lands highways program under section 204 of title 23, United States Code;

(bb) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943); and

(cc) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240).

(B) OBLIGATION.—Amounts apportioned under subparagraph (A)—

(i) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(I) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(II) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(ii) shall be available for any purpose eligible for funding under section 133 of that title; and

(iii) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(C) AUTHORIZATION OF CONTRACT AUTHORITY.—

(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this paragraph.

(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(d) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

"§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that—

''(A) the ratio that—

''(i) each State's percentage of the total apportionments for the fiscal year—

''(I) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) under this section and section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; bears to

''(ii) each State's percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available;

is not less than 0.90; and

''(B) in the case of a State specified in paragraph (2), the State's percentage of the total apportionments for the fiscal year described in subclauses (I) and (II) of subparagraph (A)(i) is—

''(i) not less than the percentage specified for the State in paragraph (2); but

''(ii) not greater than the product determined for the State under section 1102(c)(1)(D) of the Intermodal Surface Transportation Efficiency Act of 1997 for the fiscal year.

''(2) STATE PERCENTAGES.—The percentage referred to in paragraph (1)(B) for a specified State shall be determined in accordance with the following table:

"State	Percentage
Alaska	1.24
Arkansas	1.33
Delaware	0.47
Hawaii	0.55
Idaho	0.82
Montana	1.06
Nevada	0.73
New Hampshire	0.52
New Jersey	2.41
New Mexico	1.05
North Dakota	0.73
Rhode Island	0.58
South Dakota	0.78
Vermont	0.47
Wyoming	0.76.

''(b) TREATMENT OF ALLOCATIONS.—

''(1) OBLIGATION.—Amounts allocated under subsection (a)—

''(A) shall be available for obligation when allocated and shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are allocated; and

''(B) shall be available for any purpose eligible for funding under this title.

''(2) SET-ASIDE.—Fifty percent of the amounts allocated under subsection (a) shall be subject to section 133(d)(3).

''(c) TREATMENT OF WITHHELD APPORTIONMENTS.—For the purpose of subsection (a), any funds that, but for section 158(b) or any other provision of law under which Federal-aid highway funds are withheld from apportionment, would be apportioned to a State for a fiscal year under a section referred to in subsection (a) shall be treated as being apportioned in that fiscal year.

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this section.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 105 and inserting the following:

''105. Minimum guarantee.''.

(e) AUDITS OF HIGHWAY TRUST FUND.—Section 104 of title 23, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) AUDITS OF HIGHWAY TRUST FUND.—From available administrative funds deducted under subsection (a), the Secretary may reimburse the Office of Inspector General of the Department of Transportation for the conduct of annual audits of financial statements in accordance with section 3521 of title 31.''.

(f) TECHNICAL AMENDMENTS.—Section 104 of title 23, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting ''NOTIFICATION TO STATES.—'' after ''(e)'';

(B) in the first sentence—

(i) by striking ''(other than under subsection (b)(5) of this section)''; and

(ii) by striking ''and research'';

(C) by striking the second sentence; and

(D) in the last sentence, by striking '', except that'' and all that follows through ''such funds''; and

(2) in subsection (f)—

(A) by striking ''(f)(1) On'' and inserting the following:

''(f) METROPOLITAN PLANNING.—

''(1) SET-ASIDE.—On'';

(B) by striking ''(2) These'' and inserting the following:

''(2) APPORTIONMENT TO STATES OF SET-ASIDE FUNDS.—These'';

(C) by striking ''(3) The'' and inserting the following:

''(3) USE OF FUNDS.—The''; and

(D) by striking ''(4) The'' and inserting the following:

''(4) DISTRIBUTION OF FUNDS WITHIN STATES.—The''.

(g) CONFORMING AMENDMENTS.—

(1) Section 146(a) of title 23, United States Code, is amended in the first sentence by striking '', 104(b)(2), and 104(b)(6)'' and inserting ''and 104(b)(2)''.

(2)(A) Section 150 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 150.

(3) Section 158 of title 23, United States Code, is amended—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated)—

(I) by striking ''AFTER THE FIRST YEAR'' and inserting ''IN GENERAL''; and

(II) by striking '', 104(b)(2), 104(b)(5), and 104(b)(6)'' and inserting ''and 104(b)(2)''; and

(iv) in paragraph (2) (as redesignated by clause (ii)), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(B) by striking subsection (b) and inserting the following:

''(b) EFFECT OF WITHHOLDING OF FUNDS.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to that State.''.

(4)(A) Section 157 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 157.

(5)(A) Section 115(b)(1) of title 23, United States Code, is amended by striking ''or 104(b)(5), as the case may be,''.

(B) Section 137(f)(1) of title 23, United States Code, is amended by striking ''section 104(b)(5)(B) of this title'' and inserting ''section 104(b)(1)(A)''.

(C) Section 141(c) of title 23, United States Code, is amended by striking ''section 104(b)(5) of this title'' each place it appears and inserting ''section 104(b)(1)(A)''.

(D) Section 142(c) of title 23, United States Code, is amended by striking ''(other than section 104(b)(5)(A))''.

(E) Section 159 of title 23, United States Code, is amended—

(i) by striking ''(5) of'' each place it appears and inserting ''(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997) of''; and

(ii) in subsection (b)—

(I) in paragraphs (1)(A)(i) and (3)(A), by striking ''section 104(b)(5)(A)'' each place it appears and inserting ''section 104(b)(5)(A) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(II) in paragraph (1)(A)(ii), by striking ''section 104(b)(5)(B)'' and inserting ''section 104(b)(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(III) in paragraph (3)(B), by striking ''(5)(B)'' and inserting ''(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(IV) in paragraphs (3) and (4), by striking ''section 104(b)(5)'' each place it appears and inserting ''section 104(b)(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

(F) Section 161(a) of title 23, United States Code, is amended by striking ''paragraphs (1), (3), and (5)(B) of section 104(b)'' each place it appears and inserting ''paragraphs (1) and (3) of section 104(b)''.

(6)(A) Section 104(g) of title 23, United States Code, is amended—

(i) in the first sentence, by striking ''sections 130, 144, and 152 of this title'' and inserting ''subsection (b)(1)(B) and sections 130 and 152'';

(ii) in the first and second sentences—

(I) by striking ''section'' and inserting ''provision''; and

(II) by striking ''such sections'' and inserting ''those provisions''; and

(iii) in the third sentence—

(I) by striking ''section 144'' and inserting ''subsection (b)(1)(B)''; and

(II) by striking ''subsection (b)(1)'' and inserting ''subsection (b)(1)(C)''.

(B) Section 115 of title 23, United States Code, is amended—

(i) in subsection (a)(1)(A)(i), by striking ''104(b)(2), 104(b)(3), 104(f), 144,'' and inserting ''104(b)(1)(B), 104(b)(2), 104(b)(3), 104(f),''; and

(ii) in subsection (c), by striking ''144,,''.

(C) Section 120(e) of title 23, United States Code, is amended in the last sentence by striking ''and in section 144 of this title''.

(D) Section 151(d) of title 23, United States Code, is amended by striking ''section 104(a), section 307(a), and section 144 of this title'' and inserting ''subsections (a) and (b)(1)(B) of section 104 and section 307(a)''.

(E) Section 204(c) of title 23, United States Code, is amended in the first sentence by striking ''or section 144 of this title''.

(F) Section 303(g) of title 23, United States Code, is amended by striking ''section 144 of this title'' and inserting ''section 104(b)(1)(B)''.

SEC. 1103. OBLIGATION CEILING.

(a) GENERAL LIMITATIONS.—Subject to the other provisions of this section and notwithstanding any other provision of law, the total amount of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $21,800,000,000 for fiscal year 1998;

(2) $22,802,000,000 for fiscal year 1999;

(3) $22,939,000,000 for fiscal year 2000;

(4) $23,183,000,000 for fiscal year 2001;

(5) $23,699,000,000 for fiscal year 2002; and

(6) $24,548,000,000 for fiscal year 2003.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The limitations under subsection (a) shall not apply to obligations of funds under—

(A) section 105(a) of title 23, United States Code (but, for each of fiscal years 1998 through 2003, only in an amount equal to the amount included for section 157 of title 23, United States Code, in the baseline determined by the Congressional Budget Office for the fiscal year 1998 budget), excluding amounts allocated under section 105(a)(1)(B) of that title;

(B) section 125 of that title;

(C) section 157 of that title (as in effect on the day before the date of enactment of this Act);

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(F) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(G) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198); and

(H) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

(2) EFFECT OF OTHER LAW.—A provision of law establishing a limitation on obligations for Federal-aid highways and highway safety construction programs may not amend or limit the applicability of this subsection, unless the provision specifically amends or limits that applicability.

(c) APPLICABILITY TO TRANSPORTATION RESEARCH PROGRAMS.—Obligation limitations for Federal-aid highways and highway safety construction programs established by subsection (a) shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code.

(d) OBLIGATION AUTHORITY.—Section 118 of title 23, United States Code, is amended by adding at the end the following:

''(g) OBLIGATION AUTHORITY.—

''(1) DISTRIBUTION.—For each fiscal year, the Secretary shall—

''(A) distribute the total amount of obligation authority for Federal-aid highways and highway safety construction programs made available for the fiscal year by allocation in the ratio that—

''(i) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to each State for the fiscal year; bears to

''(ii) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to all States for the fiscal year;

''(B) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State; and

''(C) notwithstanding subparagraphs (A) and (B), not distribute—

''(i) amounts deducted under section 104(a) for administrative expenses;

''(ii) amounts set aside under section 104(k) for Interstate 4R and bridge projects;

''(iii) amounts made available under sections 143, 164, 165, 204, 206, 207, and 322;

''(iv) amounts made available under section 111 of title 49;

''(v) amounts made available under section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.);

''(vi) amounts made available under section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938);

''(vii) amounts made available under sections 1503, 1603, and 1604 of the Intermodal Surface Transportation Efficiency Act of 1997;

''(viii) amounts made available under section 149(d) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 201);

''(ix) amounts made available under section 105(a)(1)(A) to the extent that the amounts are subject to any obligation limitation under section 1103(a) of the Intermodal Surface Transportation Efficiency Act of 1997;

''(x) amounts made available for implementation of programs under chapter 5 of this title and sections 5222, 5232, and 5241 of title 49; and

''(xi) amounts made available under section 412 of the Woodrow Wilson Memorial Bridge Authority Act of 1995.

''(2) REDISTRIBUTION.—Notwithstanding paragraph (1), the Secretary shall, after August 1 of each of fiscal years 1998 through 2003—

''(A) revise a distribution of the funds made available under paragraph (1) for the fiscal year if a State will not obligate the amount distributed during the fiscal year; and

''(B) redistribute sufficient amounts to those States able to obligate amounts in addition to the amounts previously distributed during the fiscal year, giving priority to those States that have large unobligated balances of funds apportioned under section 104 and under section 144 (as in effect on the day before the date of enactment of this subparagraph).''.

(e) APPLICABILITY OF OBLIGATION LIMITATIONS.—An obligation limitation established by a provision of any other Act shall not apply to obligations under a program funded under this Act or title 23, United States Code, unless—

(1) the provision specifically amends or limits the applicability of this subsection; or

(2) an obligation limitation is specified in this Act with respect to the program.

SEC. 1104. OBLIGATION AUTHORITY UNDER SURFACE TRANSPORTATION PROGRAM.

Section 133 of title 23, United States Code, is amended by striking subsection (f) and inserting the following:

''(f) OBLIGATION AUTHORITY.—

''(1) IN GENERAL.—A State that is required to obligate in an urbanized area with an urbanized area population of over 200,000 individuals under subsection (d) funds apportioned to the State under section 104(b)(3) shall make available during the 3-fiscal year period of 1998 through 2000, and the 3-fiscal year period of 2001 through 2003, an amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs for use in the area that is equal to the amount obtained by multiplying—

''(A) the aggregate amount of funds that the State is required to obligate in the area under subsection (d) during each such period; by

''(B) the ratio that—

''(i) the aggregate amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs during the period; bears to

''(ii) the total of the sums apportioned to the State for Federal-aid highways and highway safety construction programs (excluding sums not subject to an obligation limitation) during the period.

''(2) JOINT RESPONSIBILITY.—Each State, each affected metropolitan planning organization, and the Secretary shall jointly ensure compliance with paragraph (1).''.

SEC. 1105. EMERGENCY RELIEF.

(a) FEDERAL SHARE.—Section 120(e) of title 23, United States Code, is amended in the first sentence by striking ''highway system'' and inserting ''highway''.

(b) ELIGIBILITY AND FUNDING.—Section 125 of title 23, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively;

(3) by inserting after the section heading the following:

''(a) GENERAL ELIGIBILITY.—Subject to this section and section 120, an emergency fund is authorized for expenditure by the Secretary for the repair or reconstruction of highways, roads, and trails, in any part of the United States, including Indian reservations, that the Secretary finds have suffered serious damage as a result of—

''(1) natural disaster over a wide area, such as by a flood, hurricane, tidal wave, earthquake, severe storm, or landslide; or

''(2) catastrophic failure from any external cause.

''(b) RESTRICTION ON ELIGIBILITY.—In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges that have been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to a structural deficiency or physical deterioration.

''(c) FUNDING.—Subject to the following limitations, there are hereby authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) such sums as may be necessary to establish the fund authorized by this section and to replenish it on an annual basis:

''(1) Not more than $100,000,000 is authorized to be obligated in any 1 fiscal year commencing after September 30, 1980, to carry out the provisions of this section, except that, if in any fiscal year the total of all obligations under this section is less than the amount authorized to be obligated in such fiscal year, the unobligated balance of such amount shall remain available until expended and shall be in addition to amounts otherwise available to carry out this section each year.

''(2) Pending such appropriation or replenishment, the Secretary may obligate from any funds heretofore or hereafter appropriated for obligation in accordance with this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, provided that such funds are reimbursed from the appropriations authorized in paragraph (1) of this subsection when such appropriations are made.'';

(4) in subsection (d) (as so redesignated), by striking ''subsection (c)'' both places it appears and inserting ''subsection (e)''; and

(5) in subsection (e) (as so redesignated), by striking ''on any of the Federal-aid highway systems'' and inserting ''Federal-aid highways''.

(c) SAN MATEO COUNTY, CALIFORNIA.—Notwithstanding any other provision of law, a project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, that—

(1) was destroyed as a result of a combination of storms in the winter of 1982–1983 and a mountain slide; and

(2) until its destruction, served as the only reasonable access route between 2 cities and as the designated emergency evacuation route of 1 of the cities;

shall be eligible for assistance under section 125(a) of title 23, United States Code, if the project complies with the local coastal plan.

SEC. 1106. FEDERAL LANDS HIGHWAYS PROGRAM.

(a) FEDERAL SHARE PAYABLE.—Section 120 of title 23, United States Code, is amended by adding at the end the following:

''(j) USE OF FEDERAL LAND MANAGEMENT AGENCY FUNDS.—Notwithstanding any other provision of law, the funds appropriated to any Federal land management agency may be used to pay the non-Federal share of the cost of any Federal-aid highway project the Federal share of which is funded under section 104.

''(k) USE OF FEDERAL LANDS HIGHWAYS PROGRAM FUNDS.—Notwithstanding any other provision of law, the funds made available to carry out the Federal lands highways program under section 204 may be used to pay the non-Federal share of the cost of any project that is funded under section 104 and that provides access to or within Federal or Indian lands.''.

(b) AVAILABILITY OF FUNDS.—Section 203 of title 23, United States Code, is amended by adding at the end the following: ''Notwithstanding any other provision of law, the authorization by the Secretary of engineering and related work for a Federal lands highways program project, or the approval by the Secretary of plans, specifications, and estimates for construction of a Federal lands highways program project, shall be deemed to constitute a contractual obligation of the Federal Government to the pay the Federal share of the cost of the project.''.

(c) PLANNING AND AGENCY COORDINATION.—Section 204 of title 23, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Recognizing the need for all Federal roads that are public roads to be treated under uniform policies similar to the policies that apply to Federal-aid highways, there is established a coordinated Federal lands highways program that shall apply to public lands highways, park roads and parkways, and Indian reservation roads and bridges.

''(2) TRANSPORTATION PLANNING PROCEDURES.—In consultation with the Secretary of each appropriate Federal land management agency, the Secretary shall develop, by rule, transportation planning procedures that are consistent with the metropolitan and statewide planning processes required under sections 134 and 135.

''(3) APPROVAL OF TRANSPORTATION IMPROVEMENT PROGRAM.—The transportation improvement program developed as a part of the transportation planning process under this section shall be approved by the Secretary.

''(4) INCLUSION IN OTHER PLANS.—All regionally significant Federal lands highways program projects—

''(A) shall be developed in cooperation with States and metropolitan planning organizations; and

''(B) shall be included in appropriate Federal lands highways program, State, and metropolitan plans and transportation improvement programs.

''(5) INCLUSION IN STATE PROGRAMS.—The approved Federal lands highways program transportation improvement program shall be included in appropriate State and metropolitan planning organization plans and programs without further action on the transportation improvement program.

''(6) DEVELOPMENT OF SYSTEMS.—The Secretary and the Secretary of each appropriate Federal land management agency shall, to the extent appropriate, develop safety, bridge, pavement, and congestion management systems for roads funded under the Federal lands highways program.'';

(2) in subsection (b), by striking the first 3 sentences and inserting the following: ''Funds available for public lands highways, park roads and parkways, and Indian reservation roads shall be used by the Secretary and the Secretary of the appropriate Federal land management agency to pay for the cost of transportation planning, research, engineering, and construction of the highways, roads, and parkways, or of transit facilities within public lands, national parks, and Indian reservations. In connection with activities under the preceding sentence, the Secretary and the Secretary of the appropriate Federal land management agency may enter into construction contracts and other appropriate contracts with a State or civil subdivision of a State or Indian tribe.'';

(3) in the first sentence of subsection (e), by striking ''Secretary of the Interior'' and inserting ''Secretary of the appropriate Federal land management agency'';

(4) in subsection (h), by adding at the end the following:

''(8) A project to build a replacement of the federally owned bridge over the Hoover Dam

in the Lake Mead National Recreation Area between Nevada and Arizona.'';

(5) by striking subsection (i) and inserting the following:

''(i) TRANSFERS OF COSTS TO SECRETARIES OF FEDERAL LAND MANAGEMENT AGENCIES.—

''(1) ADMINISTRATIVE COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay necessary administrative costs of the agency in connection with public lands highways.

''(2) TRANSPORTATION PLANNING COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay the cost to the agency to conduct necessary transportation planning for Federal lands, if funding for the planning is not otherwise provided under this section.''; and

(6) in subsection (j), by striking the second sentence and inserting the following: ''The Indian tribal government, in cooperation with the Secretary of the Interior, and as appropriate, with a State, local government, or metropolitan planning organization, shall carry out a transportation planning process in accordance with subsection (a).''.

SEC. 1107. RECREATIONAL TRAILS PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code, is amended by inserting after section 205 the following:

''§ 206. Recreational trails program

''(a) DEFINITIONS.—

''(1) MOTORIZED RECREATION.—The term 'motorized recreation' means off-road recreation using any motor-powered vehicle, except for a motorized wheelchair.

''(2) RECREATIONAL TRAIL; TRAIL.—The term 'recreational trail' or 'trail' means a thoroughfare or track across land or snow, used for recreational purposes such as—

''(A) pedestrian activities, including wheelchair use;

''(B) skating or skateboarding;

''(C) equestrian activities, including carriage driving;

''(D) nonmotorized snow trail activities, including skiing;

''(E) bicycling or use of other human-powered vehicles;

''(F) aquatic or water activities; and

''(G) motorized vehicular activities, including all-terrain vehicle riding, motorcycling, snowmobiling, use of off-road light trucks, or use of other off-road motorized vehicles.

''(b) PROGRAM.—In accordance with this section, the Secretary, in consultation with the Secretary of the Interior and the Secretary of Agriculture, shall carry out a program to provide and maintain recreational trails (referred to in this section as the 'program').

''(c) STATE RESPONSIBILITIES.—To be eligible for apportionments under this section—

''(1) a State may use apportionments received under this section for construction of new trails crossing Federal lands only if the construction is—

''(A) permissible under other law;

''(B) necessary and required by a statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) approved by the administering agency of the State designated under paragraph (2); and

''(D) approved by each Federal agency charged with management of the affected lands, which approval shall be contingent on compliance by the Federal agency with all applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.);

''(2) the Governor of a State shall designate the State agency or agencies that will be responsible for administering apportionments received under this section; and

''(3) the State shall establish within the State a State trail advisory committee that represents both motorized and nonmotorized trail users.

''(d) USE OF APPORTIONED FUNDS.—

''(1) IN GENERAL.—Funds made available under this section shall be obligated for trails and trail-related projects that—

''(A) have been planned and developed under the laws, policies, and administrative procedures of each State; and

''(B) are identified in, or further a specific goal of, a trail plan or trail plan element included or referenced in a metropolitan transportation plan required under section 134 or a statewide transportation plan required under section 135, consistent with the statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.).

''(2) PERMISSIBLE USES.—Permissible uses of funds made available under this section include—

''(A) maintenance and restoration of existing trails;

''(B) development and rehabilitation of trailside and trailhead facilities and trail linkages;

''(C) purchase and lease of trail construction and maintenance equipment;

''(D) construction of new trails;

''(E) acquisition of easements and fee simple title to property for trails or trail corridors;

''(F) payment of costs to the State incurred in administering the program, but in an amount not to exceed 7 percent of the apportionment received by the State for a fiscal year; and

''(G) operation of educational programs to promote safety and environmental protection as these objectives relate to the use of trails.

''(3) USE OF APPORTIONMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), and (D), of the apportionments received for a fiscal year by a State under this section—

''(i) 40 percent shall be used for trail or trail-related projects that facilitate diverse recreational trail use within a trail corridor, trailside, or trailhead, regardless of whether the project is for diverse motorized use, for diverse nonmotorized use, or to accommodate both motorized and nonmotorized recreational trail use;

''(ii) 30 percent shall be used for uses relating to motorized recreation; and

''(iii) 30 percent shall be used for uses relating to nonmotorized recreation.

''(B) SMALL STATE EXCLUSION.—Any State with a total land area of less than 3,500,000 acres, and in which nonhighway recreational fuel use accounts for less than 1 percent of all such fuel use in the United States, shall be exempted from the requirements of subparagraph (A) upon application to the Secretary by the State demonstrating that the State meets the conditions of this subparagraph.

''(C) WAIVER AUTHORITY.—Upon the request of a State trail advisory committee established under subsection (c)(3), the Secretary may waive, in whole or in part, the requirements of subparagraph (A) with respect to the State if the State certifies to the Secretary that the State does not have sufficient projects to meet the requirements of subparagraph (A).

''(D) STATE ADMINISTRATIVE COSTS.—State administrative costs eligible for funding under paragraph (2)(F) shall be exempt from the requirements of subparagraph (A).

''(e) ENVIRONMENTAL BENEFIT OR MITIGATION.—To the extent practicable and consistent with the other requirements of this section, a State should give consideration to project proposals that provide for the redesign, reconstruction, nonroutine maintenance, or relocation of trails to benefit the natural environment or to mitigate and minimize the impact to the natural environment.

''(f) FEDERAL SHARE.—

''(1) IN GENERAL.—Subject to the other provisions of this subsection, the Federal share of the cost of a project under this section shall not exceed 80 percent.

''(2) FEDERAL AGENCY PROJECT SPONSOR.—Notwithstanding any other provision of law, a Federal agency that sponsors a project under this section may contribute additional Federal funds toward the cost of a project, except that—

''(A) the share attributable to the Secretary of Transportation may not exceed 80 percent; and

''(B) the share attributable to the Secretary and the Federal agency jointly may not exceed 95 percent.

''(3) USE OF FUNDS FROM FEDERAL PROGRAMS TO PROVIDE NON-FEDERAL SHARE.—Notwithstanding any other provision of law, amounts made available by the Federal Government under any Federal program that are—

''(A) expended in accordance with the requirements of the Federal program relating to activities funded and populations served; and

''(B) expended on a project that is eligible for assistance under this section;

may be credited toward the non-Federal share of the cost of the project.

''(4) PROGRAMMATIC NON-FEDERAL SHARE.—A State may allow adjustments to the non-Federal share of an individual project under this section if the Federal share of the cost of all projects carried out by the State under the program (excluding projects funded under paragraph (2) or (3)) using funds apportioned to the State for a fiscal year does not exceed 80 percent.

''(5) STATE ADMINISTRATIVE COSTS.—The Federal share of the administrative costs of a State under this subsection shall be determined in accordance with section 120(b).

''(g) USES NOT PERMITTED.—A State may not obligate funds apportioned under this section for—

''(1) condemnation of any kind of interest in property;

''(2) construction of any recreational trail on National Forest System land for any motorized use unless—

''(A) the land has been apportioned for uses other than wilderness by an approved forest land and resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved forest land and resource management plan;

''(3) construction of any recreational trail on Bureau of Land Management land for any motorized use unless the land—

''(A) has been apportioned for uses other than wilderness by an approved Bureau of Land Management resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved management plan; or

''(4) upgrading, expanding, or otherwise facilitating motorized use or access to trails

predominantly used by nonmotorized trail users and on which, as of May 1, 1991, motorized use is prohibited or has not occurred.

''(h) PROJECT ADMINISTRATION.—

''(1) CREDIT FOR DONATIONS OF FUNDS, MATERIALS, SERVICES, OR NEW RIGHT-OF-WAY.—

''(A) IN GENERAL.—Nothing in this title or other law shall prevent a project sponsor from offering to donate funds, materials, services, or a new right-of-way for the purposes of a project eligible for assistance under this section. Any funds, or the fair market value of any materials, services, or new right-of-way, may be donated by any project sponsor and shall be credited to the non-Federal share in accordance with subsection (f).

''(B) FEDERAL PROJECT SPONSORS.—Any funds or the fair market value of any materials or services may be provided by a Federal project sponsor and shall be credited to the Federal agency's share in accordance with subsection (f).

''(2) RECREATIONAL PURPOSE.—A project funded under this section is intended to enhance recreational opportunity and is not subject to section 138 of this title or section 303 of title 49.

''(3) CONTINUING RECREATIONAL USE.—At the option of each State, funds made available under this section may be treated as Land and Water Conservation Fund apportionments for the purposes of section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(f)(3)).

''(4) COOPERATION BY PRIVATE PERSONS.—

''(A) WRITTEN ASSURANCES.—As a condition of making available apportionments for work on recreational trails that would affect privately owned land, a State shall obtain written assurances that the owner of the land will cooperate with the State and participate as necessary in the activities to be conducted.

''(B) PUBLIC ACCESS.—Any use of the apportionments to a State under this section on privately owned land must be accompanied by an easement or other legally binding agreement that ensures public access to the recreational trail improvements funded by the apportionments.

''(i) APPORTIONMENT.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State that meets the requirements of subsection (c).

''(2) APPORTIONMENT.—Subject to subsection (j), for each fiscal year, the Secretary shall apportion—

''(A) 50 percent of the amounts made available to carry out this section equally among eligible States; and

''(B) 50 percent of the amounts made available to carry out this section among eligible States in proportion to the quantity of nonhighway recreational fuel used in each eligible State during the preceding year.

''(j) ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—Whenever an apportionment is made under subsection (i) of the amounts made available to carry out this section, the Secretary shall first deduct an amount, not to exceed 1 percent of the authorized amounts, to pay the costs to the Secretary for administration of, and research authorized under, the program.

''(2) USE OF CONTRACTS.—To carry out research funded under paragraph (1), the Secretary may—

''(A) enter into contracts with for-profit organizations; and

''(B) enter into contracts, partnerships, or cooperative agreements with other government agencies, institutions of higher learning, or nonprofit organizations.

''(k) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $17,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, $22,000,000 for fiscal year 2000, $23,000,000 for fiscal year 2001, $24,000,000 for fiscal year 2002, and $25,000,000 for fiscal year 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that the Federal share of the cost of a project under this section shall be determined in accordance with this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The Intermodal Surface Transportation Efficiency Act of 1991 is amended by striking part B of title I (16 U.S.C. 1261 et seq.).

(2) The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 206 and inserting the following:

''206. Recreational trails program.''.

SEC. 1108. VALUE PRICING PILOT PROGRAM.

(a) IN GENERAL.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in the subsection heading, by striking ''CONGESTION'' and inserting ''VALUE''; and

(2) in paragraph (1), by striking ''congestion'' each place it appears and inserting ''value''.

(b) INCREASED NUMBER OF PROJECTS.—Section 1012(b)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence by striking ''5'' and inserting ''15''.

(c) ELIGIBILITY OF PREIMPLEMENTATION COSTS.— Section 1012(b)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence—

(1) by inserting after ''Secretary shall fund'' the following: ''all preimplementation costs and project design, and''; and

(2) by inserting after ''Secretary may not fund'' the following: ''the implementation costs of''.

(d) TOLLING.—Section 1012(b)(4) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking ''a pilot program under this section, but not on more than 3 of such programs'' and inserting ''any value pricing pilot program under this subsection''.

(e) HOV PASSENGER REQUIREMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking paragraph (6) and inserting the following:

''(6) HOV PASSENGER REQUIREMENTS.—Notwithstanding section 146(c) of title 23, United States Code, a State may permit vehicles with fewer than 2 occupants to operate in high occupancy vehicle lanes if the vehicles are part of a value pricing pilot program under this subsection.''.

(f) FUNDING.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by adding at the end the following:

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $8,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY.—

''(i) IN GENERAL.—Funds allocated by the Secretary to a State under this subsection shall remain available for obligation by the State for a period of 3 years after the last day of the fiscal year for which the funds are authorized.

''(ii) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this subsection but not allocated exceeds $8,000,000 as of September 30 of any year, the excess amount—

''(I) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

''(II) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

''(III) shall be available for any purpose eligible for funding under section 133 of that title.

''(C) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection and the availability of funds authorized by this paragraph shall be determined in accordance with this subsection.''.

(g) CONFORMING AMENDMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in paragraph (1), by striking ''projects'' each place it appears and inserting ''programs''; and

(2) in paragraph (5)—

(A) by striking ''projects'' and inserting ''programs''; and

(B) by striking ''traffic, volume'' and inserting ''traffic volume''.

SEC. 1109. HIGHWAY USE TAX EVASION PROJECTS.

(a) IN GENERAL.—Section 143 of title 23, United States Code, is amended to read as follows:

''§ 143. Highway use tax evasion projects

''(a) DEFINITION OF STATE.—In this section, the term 'State' means the 50 States and the District of Columbia.

''(b) PROJECTS.—

''(1) IN GENERAL.—The Secretary shall use funds made available under paragraph (7) to carry out highway use tax evasion projects in accordance with this subsection.

''(2) ALLOCATION OF FUNDS.—The funds may be allocated to the Internal Revenue Service and the States at the discretion of the Secretary.

''(3) CONDITIONS ON FUNDS ALLOCATED TO INTERNAL REVENUE SERVICE.—The Secretary shall not impose any condition on the use of funds allocated to the Internal Revenue Service under this subsection.

''(4) LIMITATION ON USE OF FUNDS.—Funds made available under paragraph (7) shall be used only—

''(A) to expand efforts to enhance motor fuel tax enforcement;

''(B) to fund additional Internal Revenue Service staff, but only to carry out functions described in this paragraph;

''(C) to supplement motor fuel tax examinations and criminal investigations;

''(D) to develop automated data processing tools to monitor motor fuel production and sales;

''(E) to evaluate and implement registration and reporting requirements for motor fuel taxpayers;

''(F) to reimburse State expenses that supplement existing fuel tax compliance efforts; and

''(G) to analyze and implement programs to reduce tax evasion associated with other highway use taxes.

''(5) MAINTENANCE OF EFFORT.—The Secretary may not make an allocation to a State under this subsection for a fiscal year unless the State certifies that the aggregate expenditure of funds of the State, exclusive of Federal funds, for motor fuel tax enforcement activities will be maintained at a level that does not fall below the average level of such expenditure for the preceding 2 fiscal years of the State.

''(6) FEDERAL SHARE.—The Federal share of the cost of a project carried out under this subsection shall be 100 percent.

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $5,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY OF FUNDS.—Funds authorized under this paragraph shall remain available for obligation for a period of 1 year after the last day of the fiscal year for which the funds are authorized.

''(c) EXCISE FUEL REPORTING SYSTEM.—

''(1) IN GENERAL.—Not later than April 1, 1998, the Secretary shall enter into a memorandum of understanding with the Commissioner of the Internal Revenue Service for the purposes of the development and maintenance by the Internal Revenue Service of an excise fuel reporting system (referred to in this subsection as the 'system').

''(2) ELEMENTS OF MEMORANDUM OF UNDERSTANDING.—The memorandum of understanding shall provide that—

''(A) the Internal Revenue Service shall develop and maintain the system through contracts;

''(B) the system shall be under the control of the Internal Revenue Service; and

''(C) the system shall be made available for use by appropriate State and Federal revenue, tax, or law enforcement authorities, subject to section 6103 of the Internal Revenue Code of 1986.

''(3) AUTHORIZATION OF APPROPRIATIONS FROM HIGHWAY TRUST FUND.—There are authorized to be appropriated to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection—

''(A) $8,000,000 for development of the system; and

''(B) $2,000,000 for each of fiscal years 1998 through 2003 for operation and maintenance of the system.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 143 and inserting the following:

''143. Highway use tax evasion projects.''.

(2) Section 1040 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1992) is repealed.

(3) Section 8002 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 2203) is amended—

(A) in the first sentence of subsection (g), by striking ''section 1040 of this Act'' and inserting ''section 143 of title 23, United States Code,''; and

(B) by striking subsection (h).

SEC. 1110. BICYCLE TRANSPORTATION AND PEDESTRIAN WALKWAYS.

Section 217 of title 23, United States Code, is amended—

(1) in subsection (b)—

(A) by inserting ''pedestrian walkways and'' after ''construction of''; and

(B) by striking ''(other than the Interstate System)'';

(2) in subsection (e), by striking '', other than a highway access to which is fully controlled,'';

(3) by striking subsection (g) and inserting the following:

''(g) PLANNING AND DESIGN.—

''(1) IN GENERAL.—Bicyclists and pedestrians shall be given consideration in the comprehensive transportation plans developed by each metropolitan planning organization and State in accordance with sections 134 and 135, respectively.

''(2) CONSTRUCTION.—Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation facilities, except where bicycle and pedestrian use are not permitted.

''(3) SAFETY AND CONTIGUOUS ROUTES.—Transportation plans and projects shall provide consideration for safety and contiguous routes for bicyclists and pedestrians.'';

(4) in subsection (h)—

(A) by striking ''No motorized vehicles shall'' and inserting ''Motorized vehicles may not''; and

(B) by striking paragraph (3) and inserting the following:

''(3) wheelchairs that are powered; and''; and

(5) by striking subsection (j) and inserting the following:

''(j) DEFINITIONS.—In this section:

''(1) BICYCLE TRANSPORTATION FACILITY.—The term 'bicycle transportation facility' means a new or improved lane, path, or shoulder for use by bicyclists or a traffic control device, shelter, or parking facility for bicycles.

''(2) PEDESTRIAN.—The term 'pedestrian' means any person traveling by foot or any mobility impaired person using a wheelchair.

''(3) WHEELCHAIR.—The term 'wheelchair' means a mobility aid, usable indoors, and designed for and used by individuals with mobility impairments, whether operated manually or powered.''.

SEC. 1111. DISADVANTAGED BUSINESS ENTERPRISES.

(a) GENERAL RULE.—Except to the extent that the Secretary determines otherwise, not less than 10 percent of the amounts made available for any program under titles I and II of this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

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

(1) SMALL BUSINESS CONCERN.—The term ''small business concern'' has the meaning such term has under section 3 of the Small Business Act (15 U.S.C. 632); except that such term shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has average annual gross receipts over the preceding 3 fiscal years in excess of $16,600,000, as adjusted by the Secretary for inflation.

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term ''socially and economically disadvantaged individuals'' has the meaning such term has under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto; except that women shall be presumed to be socially and economically disadvantaged individuals for purposes of this section.

(c) ANNUAL LISTING OF DISADVANTAGED BUSINESS ENTERPRISES.—Each State shall annually survey and compile a list of the small business concerns referred to in subsection (a) and the location of such concerns in the State and notify the Secretary, in writing, of the percentage of such concerns which are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are women and are otherwise socially and economically disadvantaged individuals.

(d) UNIFORM CERTIFICATION.—The Secretary shall establish minimum uniform criteria for State governments to use in certifying whether a concern qualifies for purposes of this section. Such minimum uniform criteria shall include but not be limited to on-site visits, personal interviews, licenses, analysis of stock ownership, listing of equipment, analysis of bonding capacity, listing of work completed, resume of principal owners, financial capacity, and type of work preferred.

SEC. 1112. FEDERAL SHARE PAYABLE.

Section 120 of title 23, United States Code (as amended by section 1106(a)), is amended—

(1) in each of subsections (a) and (b), by adding at the end the following: ''In the case of any project subject to this subsection, a State may determine a lower Federal share than the Federal share determined under the preceding sentences of this subsection.''; and

(2) by adding at the end the following:

''(l) CREDIT FOR NON-FEDERAL SHARE.—

''(1) ELIGIBILITY.—A State may use as a credit toward the non-Federal share requirement for any program under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) or this title, other than the emergency relief program authorized by section 125, toll revenues that are generated and used by public, quasi-public, and private agencies to build, improve, or maintain, without the use of Federal funds, highways, bridges, or tunnels that serve the public purpose of interstate commerce.

''(2) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—The credit toward any non-Federal share under paragraph (1) shall not reduce nor replace State funds required to match Federal funds for any program under this title.

''(B) CONDITIONS ON RECEIPT OF CREDIT.—

''(i) AGREEMENT WITH THE SECRETARY.—To receive a credit under paragraph (1) for a fiscal year, a State shall enter into such agreements as the Secretary may require to ensure that the State will maintain its non-Federal transportation capital expenditures at or above the average level of such expenditures for the preceding 3 fiscal years.

''(ii) EXCEPTION.—Notwithstanding clause (i), a State may receive a credit under paragraph (1) for a fiscal year if, for any 1 of the preceding 3 fiscal years, the non-Federal transportation capital expenditures of the State were at a level that was greater than 30 percent of the average level of such expenditures for the other 2 of the preceding 3 fiscal years.

''(3) TREATMENT.—

''(A) IN GENERAL.—Use of the credit toward a non-Federal share under paragraph (1) shall not expose the agencies from which the credit is received to additional liability, additional regulation, or additional administrative oversight.

''(B) CHARTERED MULTISTATE AGENCIES.—When credit is applied from a chartered multistate agency under paragraph (1), the credit shall be applied equally to all charter States.

''(C) NO ADDITIONAL STANDARDS.—A public, quasi-public, or private agency from which the credit for which the non-Federal share is calculated under paragraph (1) shall not be subject to any additional Federal design standards or laws (including regulations) as a result of providing the credit beyond the standards and laws to which the agency is already subject.''.

SEC. 1113. STUDIES AND REPORTS.

(a) HIGHWAY ECONOMIC REQUIREMENT SYSTEM.—

(1) METHODOLOGY.—

(A) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the methodology used by the Department of Transportation to determine highway needs using the highway economic requirement system (referred to in this subsection as the ''model'').

(B) REQUIRED ELEMENT.—The evaluation shall include an assessment of the extent to which the model estimates an optimal level of highway infrastructure investment, including an assessment as to when the model may be overestimating or underestimating investment requirements.

(C) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the evaluation.

(2) STATE INVESTMENT PLANS.—

(A) STUDY.—In consultation with State transportation departments and other appropriate State and local officials, the Comptroller General of the United States shall conduct a study on the extent to which the highway economic requirement system of the Federal Highway Administration can be used to provide States with useful information for developing State transportation investment plans and State infrastructure investment projections.

(B) REQUIRED ELEMENTS.—The study shall—

(i) identify any additional data that may need to be collected beyond the data submitted, prior to the date of enactment of this Act, to the Federal Highway Administration through the highway performance monitoring system; and

(ii) identify what additional work, if any, would be required of the Federal Highway Administration and the States to make the model useful at the State level.

(C) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(b) INTERNATIONAL ROUGHNESS INDEX.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the international roughness index that is used as an indicator of pavement quality on the Federal-aid highway system.

(2) REQUIRED ELEMENTS.—The study shall specify the extent of usage of the index and the extent to which the international roughness index measurement is reliable across different manufacturers and types of pavement.

(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(c) REPORTING OF RATES OF OBLIGATION.—Section 104 of title 23, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (m); and

(2) by inserting after subsection (i) the following:

''(j) REPORTING OF RATES OF OBLIGATION.—On an annual basis, the Secretary shall publish or otherwise report rates of obligation of funds apportioned or set aside under this section and sections 103 and 133 according to—

''(1) program;

''(2) funding category or subcategory;

''(3) type of improvement;

''(4) State; and

''(5) sub-State geographic area, including urbanized and rural areas, on the basis of the population of each such area.''.

SEC. 1114. DEFINITIONS.

(a) FEDERAL-AID HIGHWAY FUNDS AND PROGRAM.—

(1) IN GENERAL.—Section 101(a) of title 23, United States Code, is amended by inserting before the undesignated paragraph defining ''Federal-aid highways'' the following:

''The term 'Federal-aid highway funds' means funds made available to carry out the Federal-aid highway program.

''The term 'Federal-aid highway program' means all programs authorized under chapters 1, 3, and 5.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(d) of title 23, United States Code, is amended by striking ''the construction of Federal-aid highways or highway planning, research, or development'' and inserting ''the Federal-aid highway program''.

(B) Section 104(m)(1) of title 23, United States Code (as redesignated by section 1113(c)(1)), is amended by striking ''Federal-aid highways and the highway safety construction programs'' and inserting ''the Federal-aid highway program''.

(C) Section 107(b) of title 23, United States Code, is amended in the second sentence by striking ''Federal-aid highways'' and inserting ''the Federal-aid highway program''.

(b) ALPHABETIZATION OF DEFINITIONS.—Section 101(a) of title 23, United States Code, is amended by reordering the undesignated paragraphs so that they are in alphabetical order.

SEC. 1115. MINIMUM PER CAPITA INTERSTATE MAINTENANCE DISCRETIONARY PROGRAM.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by inserting after section 119 the following:

''§ 119A. Minimum per capita Interstate maintenance discretionary program

''(a) IN GENERAL.—

''(1) ESTABLISHMENT.—There is established a minimum per capita Interstate maintenance discretionary program (referred to in this section as the 'program') to ensure that each State that receives, for any fiscal year, less than 90 percent of the national average Federal-aid highway program apportionments per capita has sufficient resources to preserve and enhance the routes on the Interstate System in the State.

''(2) USE OF FUNDS.—Funds available for the program—

''(A) shall be used to supplement apportionments for the Interstate maintenance component of the Interstate and National Highway System program; and

''(B) may be used for any project eligible for funding under section 119.

''(3) SELECTION OF PROJECTS.—Projects to be funded under the program shall be proposed by a State and selected by the Secretary.

''(b) ELIGIBILITY FOR PARTICIPATION.—

''(1) IN GENERAL.—Each State with respect to which the total apportionments per capita (as determined under paragraph (2)(A)) is less than 90 percent of the national average of the total apportionments per capita (as determined under paragraph (2)(B)) shall be eligible to receive an allocation under the program.

''(2) DETERMINATIONS.—For each fiscal year, with respect to each State, the Secretary shall determine—

''(A) the quotient obtained by dividing—

''(i) the sum of—

''(I) the amounts apportioned to the State under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) the amounts apportioned to the State under section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; by

''(ii) the population of the State (as determined based on the latest available annual estimates prepared by the Secretary of Commerce);

''(B) the quotient obtained by dividing—

''(i) the sum of the apportionments described in subparagraph (A)(i) to all States for the fiscal year; by

''(ii) the population of all of the States (as determined based on the latest available annual estimates prepared by the Secretary of Commerce); and

''(C) the difference between—

''(i) 90 percent of the amount determined under subparagraph (B); and

''(ii) the amount determined under subparagraph (A) with respect to the State.

''(c) ALLOCATION OF FUNDS FOR PROJECTS.—

''(1) DETERMINATION.—

''(A) IN GENERAL.—For each fiscal year, with respect to each State eligible under subsection (b)(1), the Secretary shall determine the percentage that—

''(i) the difference determined with respect to the eligible State under subsection (b)(2)(C); bears to

''(ii) the sum of the differences determined with respect to all eligible States.

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A) that is greater than 12 percent to 12 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i) among the other eligible States in proportion to the percentages determined under subparagraph (A) with respect to those States.

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall allocate to each eligible State to carry out projects described in subsection (a)(2) an amount equal to the amount obtained by multiplying—

''(A) the percentage for the eligible State determined under paragraph (1); by

''(B) the amount of funds made available to carry out the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—

''(A) DEADLINES FOR SUBMISSION OF PROPOSED PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline shall not be earlier than January 1, 1998.

''(B) EFFECT OF FAILURE TO SUBMIT SUFFICIENT PROPOSED PROJECTS.—For each fiscal year, if a State does not have pending, by the deadline established under subparagraph (A), applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $89,000,000 for each of fiscal years 1998 through 2003.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 119 the following:

''119A. Minimum per capita Interstate maintenance discretionary program.''.

SEC. 1116. TRADE CORRIDOR AND BORDER CROSSING

AMENDMENT NO. 1468

Beginning on page 118, strike line 3 and all that follows through page 122, line 4, and insert the following:

SEC. 1120. WOODROW WILSON MEMORIAL BRIDGE; MINIMUM PER CAPITA INTERSTATE MAINTENANCE DISCRETIONARY PROGRAM.

(a) WOODROW WILSON MEMORIAL BRIDGE.—

(1) IN GENERAL.—Section 407(a) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 630) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) by striking ''(a)'' and all that follows through the period at the end of paragraph (1) and inserting the following:

''(a) CONVEYANCES.—

''(1) CONVEYANCE TO STATES AND DISTRICT OF COLUMBIA.—

''(A) GENERAL AUTHORITY.—Not later than 60 days after the date of enactment of this subparagraph, the Secretary shall convey to the State of Virginia, the State of Maryland, and the District of Columbia all right, title, and interest of the United States in and to the Bridge, including such related riparian rights and interests in land underneath the Potomac River as are necessary to carry out the Project.

''(B) ACCEPTANCE OF TITLE.—Except as provided in paragraph (3), on conveyance by the Secretary, the State of Virginia, the State of Maryland, and the District of Columbia shall accept the right, title, and interest in and to the Bridge.

''(C) CONSOLIDATION OF JURISDICTION.—For the purpose of making the conveyance under this paragraph, the Secretary of the Interior and the head of any other Federal department or agency that has jurisdiction over the land adjacent to the Bridge shall transfer the jurisdiction to the Secretary.

''(D) FUNDS ALLOCATED.—No amounts set aside for Interstate 4R and bridge projects under section 104(k) of title 23, United States Code, may be allocated for the Bridge before the State of Virginia, the State of Maryland, and the District of Columbia accept right, title, and interest in and to the Bridge in accordance with this subsection.

''(2) CONVEYANCE TO AUTHORITY.—

''(A) IN GENERAL.—After execution of the agreement under subsection (c), the State of Virginia, the State of Maryland, and the District of Columbia shall convey to the Authority their respective rights, titles, and interests in and to the Bridge, including such related riparian rights and interests in land underneath the Potomac River as are necessary to carry out the Project.

''(B) ACCEPTANCE OF TITLE.—Except as provided in paragraph (3), on conveyance by the State of Virginia, the State of Maryland, and the District of Columbia, the Authority shall accept the right, title, and interest in and to the Bridge and all duties and responsibilities associated with the Bridge.''; and

(C) in paragraph (3) (as redesignated by subparagraph (A)), by striking ''conveyance under paragraph (1)'' and inserting ''conveyances under this subsection''.

(2) CONFORMING AMENDMENT.—Section 409(3) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 632) is amended by striking ''section 407(a)(2)'' and inserting ''section 407(a)(3)''.

(b) MINIMUM PER CAPITA INTERSTATE MAINTENANCE DISCRETIONARY PROGRAM.—

(1) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by inserting after section 119 the following:

''§ 119A. Minimum per capita Interstate maintenance discretionary program

''(a) IN GENERAL.—

''(1) ESTABLISHMENT.—There is established a minimum per capita Interstate maintenance discretionary program (referred to in this section as the 'program') to ensure that each State that receives, for any fiscal year, less than 90 percent of the national average Federal-aid highway program apportionments per capita has sufficient resources to preserve and enhance the routes on the Interstate System in the State.

''(2) USE OF FUNDS.—Funds available for the program—

''(A) shall be used to supplement apportionments for the Interstate maintenance component of the Interstate and National Highway System program; and

''(B) may be used for any project eligible for funding under section 119.

''(3) SELECTION OF PROJECTS.—Projects to be funded under the program shall be proposed by a State and selected by the Secretary.

''(b) ELIGIBILITY FOR PARTICIPATION.—

''(1) IN GENERAL.—Each State with respect to which the total apportionments per capita (as determined under paragraph (2)(A)) is less than 90 percent of the national average of the total apportionments per capita (as determined under paragraph (2)(B)) shall be eligible to receive an allocation under the program.

''(2) DETERMINATIONS.—For each fiscal year, with respect to each State, the Secretary shall determine—

''(A) the quotient obtained by dividing—

''(i) the sum of—

''(I) the amounts apportioned to the State under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) the amounts apportioned to the State under section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; by

''(ii) the population of the State (as determined based on the latest available annual estimates prepared by the Secretary of Commerce);

''(B) the quotient obtained by dividing—

''(i) the sum of the apportionments described in subparagraph (A)(i) to all States for the fiscal year; by

''(ii) the population of all of the States (as determined based on the latest available annual estimates prepared by the Secretary of Commerce); and

''(C) the difference between—

''(i) 90 percent of the amount determined under subparagraph (B); and

''(ii) the amount determined under subparagraph (A) with respect to the State.

''(c) ALLOCATION OF FUNDS FOR PROJECTS.—

''(1) DETERMINATION.—

''(A) IN GENERAL.—For each fiscal year, with respect to each State eligible under subsection (b)(1), the Secretary shall determine the percentage that—

''(i) the difference determined with respect to the eligible State under subsection (b)(2)(C); bears to

''(ii) the sum of the differences determined with respect to all eligible States.

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A) that is greater than 12 percent to 12 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i) among the other eligible States in proportion to the percentages determined under subparagraph (A) with respect to those States.

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall allocate to each eligible State to carry out projects described in subsection (a)(2) an amount equal to the amount obtained by multiplying—

''(A) the percentage for the eligible State determined under paragraph (1); by

''(B) the amount of funds made available to carry out the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—

''(A) DEADLINES FOR SUBMISSION OF PROPOSED PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline shall not be earlier than January 1, 1998.

''(B) EFFECT OF FAILURE TO SUBMIT SUFFICIENT PROPOSED PROJECTS.—For each fiscal year, if a State does not have pending, by the deadline established under subparagraph (A), applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $89,000,000 for each of fiscal years 1998 through 2003.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 119 the following:

''119A. Minimum per capita Interstate maintenance discretionary program.''.

AMENDMENT NO. 1469

On page 88, lines 12 and 13, strike and substitute the following in lieu thereof:

''for all States; and

On page 88, line 25, strike the word ''and'' after the semi-colon and insert the following new clause:

''(ii) increase any percentage determined under subparagraph (A)(iii) that is less than 0.5 percent to 0.5 percent; and

On page 89, line 12, after the word ''reduction'' insert:

''or increase''

On page 89, line 3, after ''(i)'' insert ''and (ii)''

AMENDMENT NO. 1470

At the end of chapter 1 of subtitle C of title I, add the following:

SEC. 1302. TAX CREDIT FOR USER FEE HIGHWAYS.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by inserting after section 129 the following:

''§ 129A. Payments for toll facilities

''(a) DEFINITION OF CONTROLLING TOLL AUTHORITY.—In this section, the term 'controlling toll authority' means a public or private organization that operates and maintains highway, bridge, or tunnel facilities for the use of which a toll is collected.

''(b) PAYMENTS FOR TOLL FACILITIES.—

''(1) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program (referred to in this subsection as the 'program') to provide direct payments to a controlling toll authority in the amount of Federal motor fuel tax collections attributable to use of facilities—

''(A) that are operated and maintained by the authority; and

''(B) with respect to which the eligibility criteria specified in subsection (c) are met.

''(2) PROCEDURES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall determine appropriate disbursement rules and procedures for the program.

''(B) TIMING OF PAYMENTS.—The Secretary shall make payments under the program to the controlling toll authority not less often than quarterly.

''(3) AMOUNT OF PAYMENTS.—The amount of the payments to each controlling toll authority for a fiscal year shall be equal to the

estimated amount of the Federal motor fuel tax collections that—

''(A) are deposited in the Highway Trust Fund (other than the Mass Transit Account); and

''(B) are attributable to travel on the facilities operated and maintained by the controlling toll authority in that fiscal year;

as determined by the Secretary using the latest data available.

''(4) SOURCE OF FUNDS.—For each fiscal year, the Secretary shall make payments under the program using funds made available to carry out the following programs, in the following allocation:

''(A) ⅓ from the other National Highway System component of the Interstate and National Highway System program carried out under section 103(b).

''(B) ⅓ from the Interstate maintenance component of the Interstate and National Highway System program carried out under section 119.

''(C) ⅓ from the surface transportation program established under section 133.

''(c) ELIGIBILITY CRITERIA.—To be eligible under the program established under subsection (b), a controlling toll authority must be certified by the Secretary as meeting each of the following eligibility criteria:

''(1) COLLECTION OF TOLLS.—With respect to not less than 75 percent of the mileage of the highway, bridge, or tunnel facilities that the controlling toll authority operates and maintains, the authority collects tolls for the operation and maintenance of the facilities.

''(2) OTHER FUNDS.—While participating in the program, the controlling toll authority does not use funds from the Highway Trust Fund for the construction or maintenance of facilities operated and maintained by the controlling toll authority.

''(3) AUTOMATED TOLL COLLECTION TECHNOLOGY.—The controlling toll authority uses automated toll collection technology, at 1 or more locations where tolls are collected, that allows a user to pass through the toll collection system without stopping the user's vehicle.

''(4) VALUE PRICING.—The controlling toll authority has implemented differential-time-sensitive pricing strategies to mitigate congestion at 1 or more locations where tolls are collected.

''(5) NO DIVERSION.—The toll revenue collected by the controlling toll authority is used solely to pay for—

''(A) the operation and maintenance of, and debt service for, facilities operated and maintained by the controlling toll authority;

''(B) safety and law enforcement costs associated with the facilities;

''(C) the costs of transit or other measures that help alleviate congestion on the facilities; and

''(D) the costs of congestion pricing, electronic toll collection equipment, and environmental mitigation or enhancement projects directly related to the facilities.

''(d) EFFECT ON OTHER PROGRAMS.—Notwithstanding any other provision of law, the length of, number of vehicle miles traveled on, quantity of fuel used in travel on, or any other characteristic of a highway, bridge, or tunnel with respect to which payments are made under the program established under subsection (b) may not be taken into account in any apportionment calculation under section 104(b) or in any other apportionment calculation under this title, regardless of whether there is in effect any toll agreement with the State under section 105 of the Surface Transportation Assistance Act of 1978 (92 Stat. 2692) or under section 129(c).''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 129 the following:

''129A. Payments for toll facilities.''.

(2) Section 104(b) of title 23, United States Code (as amended by section 1102(a)), is amended—

(A) in subparagraphs (A) and (C) of paragraph (1), by striking ''For'' each place it appears and inserting ''After using funds under section 129A, for''; and

(B) in paragraph (3)(A), by striking ''For the'' and inserting ''After using funds under section 129A, for the''.

AMENDMENT NO. 1471

On page 10, line 16, after the word ''State'' insert the following:

''multiplied by the average unit price of replacement and rehabilitation of such bridges on a State-by-State basis, as determined by the Secretary''.

On page 10, line 23, before the phrase ''in all States'' insert the following:

''multiplied by the average unit price of replacement and rehabilitation of such bridges''.

On page 12, line 17, after the word ''State'' insert the following:

''multiplied by the average unit price of replacement and rehabilitation of such bridges on a State-by State basis, as determined by the Secretary''.

On page 13, line 2, before the phrase ''in all States'' insert the following:

''multiplied by the average unit price of replacement and rehabilitation of such bridges''.

On page 19, line 8, after the word ''State'' insert the following:

''multiplied by the average unit price of replacement and rehabilitation of such bridges on a State-by State basis, as determined by the Secretary''.

On page 19, line 14, before the phrase ''in all States'', insert the following:

''multiplied by the average unit price of replacement and rehabilitation of such bridges''.

On page 123, line 15, strike the word ''and''.

On page 123, line 18, strike the period and insert ''; and'' at the end of the line and insert the following on the following line:

''(D) determine the cost of replacing each such bridge with a comparable facility or of rehabilitating such bridge.''

AMENDMENT NO. 1472

On page 11, line 9, strike ''20'' and substitute ''25''.

On page 11, line 19, strike ''29'' and substitute ''35''.

On page 12, line 5, strike ''18'' and substitute ''25''.

On page 13, line 4, through 15, strike all language.

On page 13, line 11, strike ''(V)9'' and substitute ''(IV)15''.

AMENDMENT NO. 1473

On page 11, line 9, strike ''20'' and substitute ''22''.

On page 11, line 19, strike ''29'' and substitute ''32''.

On page 12, line 5, strike ''18'' and substitute ''20''.

On page 13, line 4, strike ''24'' and substitute ''26''.

On page 13, line 11, through page 14, line 2, strike all language.

AMENDMENT NO. 1474

On page 18, line 10, strike ''20'' and substitute ''30''.

On page 19, line 17, strike ''30'' and substitute ''40''.

On page 19, line 1, strike ''25'' and substitute ''30''.

On page 20, line 15 through 14, strike all language.

AMENDMENT NO. 1475

On page 5, line 12 through page 7, line 2, strike and substitute the following in lieu thereof:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,417,000,000 for fiscal year 1998, $12,338,000,000 for fiscal year 1999, $12,381,000,000 for fiscal year 2000, $12,475,000,000 for fiscal year 2001, $12,733,000,000 for fiscal year 2002, and, $13,192,000,000 for fiscal year 2003, of which—

''(A) $4,769,000,000 for fiscal year 1998, $4,738,000,000 for fiscal year 1999, $4,755,000,000 for fiscal year 2000, $4,791,000,000 for fiscal year 2001, $4,890,000,000 for fiscal year 2002, and $5,066,000,000 for fiscal year 2003 shall be used for Interstate maintenance component; and

''(B) $1,451,000,000 for fiscal year 1998, $1,442,000,000 for fiscal year 1999, $1,447,000,000 for fiscal year 2000, $1,458,000,000 for fiscal year 2001, $1,488,000,000 for fiscal year 2002, and $1,542,000,000 for fiscal year 2003 shall be used for Interstate bridge component.

''(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,257,000,000 for fiscal year 1998, $7,211,000,000 for fiscal year 1999, $7,236,000,000 for fiscal year 2000, $7,291,000,000 for fiscal year 2001, $7,442,000,000 for fiscal year 2002, and , $7,710,000,000 for fiscal year 2003.

''(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,192,000,000 for fiscal year 1998, $1,184,000,000 for fiscal year 1999, $1,189,000,000 for fiscal year 2000, $1,198,000,000 for fiscal year 2001, $1,223,000,000 for fiscal year 2002, and$1,267,000,000 for fiscal year 2003.''

On page 30, line 2 through page 30, line 17, strike all language.

AMENDMENT NO. 1476

At the end of the bill, add the following:

TITLE____—EQUITABLE ALLOCATION OF FUNDING UNDER BUREAU OF RECLAMATION PROGRAMS

SEC. ____01. EQUITABLE ALLOCATION OF FUNDING UNDER BUREAU OF RECLAMATION PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) AGENCY EXPENDITURE.—The term ''agency expenditure'' means any payment made by the Secretary to a State, a political subdivision of a State, or any other public or private person or entity in a State in the form of—

(A) a share of revenues received from Federal land management activity;

(B) a grant or other form of financial assistance;

(C) a payment under a contract; compensation of an employee or consultant; or

(D) any other form.

(2) EQUITABLE STATE ALLOCATION.—The term ''equitable State allocation'', with respect to a State and fiscal year, means the amount determined under subsection (c)(1) for the State and fiscal year.

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

(4) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(5) STATE DOLLAR CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State dollar contribution to the Federal Government'', with respect to a State and fiscal year, means the amount of revenues under the Internal Revenue Code of 1986 collected from,

and the amount of user fees paid or any other payments made to the Federal Government by, all public and private persons or entities in the State during the fiscal year.

(6) STATE PERCENTAGE CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State percentage contribution to the Federal Government'', with respect to a State and fiscal year, means the proportion, expressed as a percentage, that—

(A) the State dollar contribution to the Federal Government by the State; bears to

(B) the aggregate of the State dollar contributions to the Federal Government by all of the States for the fiscal year.

(b) DETERMINATIONS.—Not later than 30 days after the close of each fiscal year—

(1) the Secretary of the Treasury shall report to the Secretary the amount of revenues under the Internal Revenue Code of 1986 collected in each State during the fiscal year;

(2) the Secretary shall determine with respect to the Department of the Interior, and the head of each other Federal agency shall report to the Secretary with respect to the agency, the amount of user fees paid or any other payments made to the agency by persons (including all private and public entities) in each State during the fiscal year; and

(3) the Secretary shall determine the State dollar contribution to the Federal Government and the State percentage contribution to the Federal Government by each State for the fiscal year.

(c) EQUITABLE STATE ALLOCATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary—

(A) shall make agency expenditures in each State in each fiscal year under each program administered by the Secretary, acting through the Commissioner of Reclamation, in an amount that is not less than the product obtained by multiplying—

(i) 90 percent of the amount that is equal to the aggregate amount of agency expenditures to be made under that program in all of the States for the fiscal year; by

(ii) the State percentage contribution to the Federal Government by the State for the fiscal year; or

(B) if making agency expenditures in a State in the amount determined under subparagraph (A) under any program is not practicable, shall make the requisite amount of funding available for use in the State under other programs administered by the Secretary of the Interior.

(2) IMPLEMENTATION.—If, but for this section, the Secretary would make agency expenditures in a State in an amount that is less than the amount of the equitable State allocation, the Secretary shall reduce the amounts of agency expenditures to be made in States in which agency expenditures in more than the amounts of the equitable State allocations would be made, pro rata, by the amount necessary to enable the Secretary to make agency expenditures in the State in the full amount of its equitable State allocation.

AMENDMENT NO. 1477

At the end of the bill, add the following:

TITLE____—EQUITABLE ALLOCATION OF FUNDING UNDER BUREAU OF LAND MANAGEMENT PROGRAMS

SEC. ____01. EQUITABLE ALLOCATION OF FUNDING UNDER BUREAU OF LAND MANAGEMENT PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) AGENCY EXPENDITURE.—The term ''agency expenditure'' means any payment made by the Secretary to a State, a political subdivision of a State, or any other public or private person or entity in a State in the form of—

(A) a share of revenues received from Federal land management activity;

(B) a grant or other form of financial assistance;

(C) a payment under a contract; compensation of an employee or consultant; or

(D) any other form.

(2) EQUITABLE STATE ALLOCATION.—The term ''equitable State allocation'', with respect to a State and fiscal year, means the amount determined under subsection (c)(1) for the State and fiscal year.

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

(4) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(5) STATE DOLLAR CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State dollar contribution to the Federal Government'', with respect to a State and fiscal year, means the amount of revenues under the Internal Revenue Code of 1986 collected from, and the amount of user fees paid or any other payments made to the Federal Government by, all public and private persons or entities in the State during the fiscal year.

(6) STATE PERCENTAGE CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State percentage contribution to the Federal Government'', with respect to a State and fiscal year, means the proportion, expressed as a percentage, that—

(A) the State dollar contribution to the Federal Government by the State; bears to

(B) the aggregate of the State dollar contributions to the Federal Government by all of the States for the fiscal year.

(b) DETERMINATIONS.—Not later than 30 days after the close of each fiscal year—

(1) the Secretary of the Treasury shall report to the Secretary the amount of revenues under the Internal Revenue Code of 1986 collected in each State during the fiscal year;

(2) the Secretary shall determine with respect to the Department of the Interior, and the head of each other Federal agency shall report to the Secretary with respect to the agency, the amount of user fees paid or any other payments made to the agency by persons (including all private and public entities) in each State during the fiscal year; and

(3) the Secretary shall determine the State dollar contribution to the Federal Government and the State percentage contribution to the Federal Government by each State for the fiscal year.

(c) EQUITABLE STATE ALLOCATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary—

(A) shall make agency expenditures in each State in each fiscal year under each program administered by the Secretary, acting through the Director of the Bureau of Land Management, in an amount that is not less than the product obtained by multiplying—

(i) 90 percent of the amount that is equal to the aggregate amount of agency expenditures to be made under that program in all of the States for the fiscal year; by

(ii) the State percentage contribution to the Federal Government by the State for the fiscal year; or

(B) if making agency expenditures in a State in the amount determined under subparagraph (A) under any program is not practicable, shall make the requisite amount of funding available for use in the State under other programs administered by the Secretary of the Interior.

(2) IMPLEMENTATION.—If, but for this section, the Secretary would make agency expenditures in a State in an amount that is less than the amount of the equitable State allocation, the Secretary shall reduce the amounts of agency expenditures to be made in States in which agency expenditures in more than the amounts of the equitable State allocations would be made, pro rata, by the amount necessary to enable the Secretary to make agency expenditures in the State in the full amount of its equitable State allocation.

AMENDMENT NO. 1478

On page 49, line 16, strike ''section 104'' and insert ''this title or title 49''.

On page 54, between lines 2 and 3, insert the following:

(d) EQUITABLE ALLOCATION OF FUNDING UNDER FEDERAL LANDS HIGHWAYS PROGRAM AND COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—Section 202 of title 23, United States Code, is amended to read as follows:

''§ 202. Allocations

''(a) DEFINITIONS.—In this section—

''(1) AGENCY EXPENDITURE.—The term 'agency expenditure' means any payment made by the Secretary to a State, a political subdivision of a State, or any other public or private person or entity in a State in the form of—

''(A) a grant or other form of financial assistance;

''(B) a payment under a contract;

''(C) compensation of an employee or consultant; or

''(D) any other form.

''(2) EQUITABLE STATE ALLOCATION.—The term 'equitable State allocation', with respect to a State and fiscal year, means the amount determined under subsection (c)(1) for the State and fiscal year.

''(3) STATE.—The term 'State' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(4) STATE DOLLAR CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term 'State dollar contribution to the Federal Government', with respect to a State and fiscal year, means the amount of revenues under the Internal Revenue Code of 1986 collected from, and the amount of user fees paid or any other payments made to the Federal Government by, all public and private persons or entities in the State during the fiscal year.

''(5) STATE PERCENTAGE CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term 'State percentage contribution to the Federal Government', with respect to a State and fiscal year, means the proportion, expressed as a percentage, that—

''(A) the State dollar contribution to the Federal Government by the State; bears to

''(B) the aggregate of the State dollar contributions to the Federal Government by all of the States for the fiscal year.

''(b) DETERMINATIONS.—Not later than 30 days after the close of each fiscal year—

''(1) the Secretary of the Treasury shall report to the Secretary the estimated amount of revenues under the Internal Revenue Code of 1986 collected in each State during the fiscal year;

''(2) the Secretary shall determine with respect to the Department of Transportation, and the head of each other Federal agency shall report to the Secretary with respect to the agency, the amount of user fees paid or any other payments made to the agency by persons (including all private and public entities) in each State during the fiscal year; and

''(3) the Secretary shall determine the State dollar contribution to the Federal Government and the State percentage contribution to the Federal Government by each State for the fiscal year.

''(c) EQUITABLE STATE ALLOCATION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary—

''(A) shall make agency expenditures in each State in each fiscal year under the Federal lands highways program under section

204 and the Cooperative Federal Lands Transportation Program under section 207 in an amount that is not less than the product obtained by multiplying—

''(i) 95 percent of the amount that is equal to the aggregate amount of agency expenditures to be made under those programs in all of the States for the fiscal year; by

''(ii) the State percentage contribution to the Federal Government by the State for the fiscal year; or

''(B) if making agency expenditures in a State in the amount determined under subparagraph (A) under any program is not appropriate (as determined by the State transportation department), shall make the requisite amount of funding available for use in the State under any provision of this title or title 49.

''(2) IMPLEMENTATION.—If, but for this section, the Secretary would make agency expenditures in a State in an amount that is less than the amount of the equitable State allocation, the Secretary shall reduce the amounts of agency expenditures to be made in States in which agency expenditures in more than the amounts of the equitable State allocations would be made, pro rata, by the amount necessary to enable the Secretary to make agency expenditures in the State in the full amount of its equitable State allocation.''.

Beginning on page 87, strike line 24 and all that follows through page 91, line 3.

On page 91, line 4, strike ''(d)'' and insert ''(b)''.

On page 91, line 7, strike ''(e)'' and insert ''(c)''.

AMENDMENT NO. 1479

At the end of the bill, add the following:

TITLE___—EQUITABLE ALLOCATION OF FUNDING UNDER FOREST SERVICE PROGRAMS

SEC. ___01. EQUITABLE ALLOCATION OF FUNDING UNDER FOREST SERVICE PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) AGENCY EXPENDITURE.—The term ''agency expenditure'' means any payment made by the Secretary to a State, a political subdivision of a State, or any other public or private person or entity in a State in the form of—

(A) a share of revenues received from Federal land management activity;

(B) a grant or other form of financial assistance;

(C) a payment under a contract; compensation of an employee or consultant; or

(D) any other form.

(2) EQUITABLE STATE ALLOCATION.—The term ''equitable State allocation'', with respect to a State and fiscal year, means the amount determined under subsection (c)(1) for the State and fiscal year.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(4) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(5) STATE DOLLAR CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State dollar contribution to the Federal Government'', with respect to a State and fiscal year, means the amount of revenues under the Internal Revenue Code of 1986 collected from, and the amount of user fees paid or any other payments made to the Federal Government by, all public and private persons or entities in the State during the fiscal year.

(6) STATE PERCENTAGE CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State percentage contribution to the Federal Government'', with respect to a State and fiscal year, means the proportion, expressed as a percentage, that—

(A) the State dollar contribution to the Federal Government by the State; bears to

(B) the aggregate of the State dollar contributions to the Federal Government by all of the States for the fiscal year.

(b) DETERMINATIONS.—Not later than 30 days after the close of each fiscal year—

(1) the Secretary of the Treasury shall report to the Secretary the amount of revenues under the Internal Revenue Code of 1986 collected in each State during the fiscal year;

(2) the Secretary shall determine with respect to the Department of Agriculture, and the head of each other Federal agency shall report to the Secretary with respect to the agency, the amount of user fees paid or any other payments made to the agency by persons (including all private and public entities) in each State during the fiscal year; and

(3) the Secretary shall determine the State dollar contribution to the Federal Government and the State percentage contribution to the Federal Government by each State for the fiscal year.

(c) EQUITABLE STATE ALLOCATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary—

(A) shall make agency expenditures in each State in each fiscal year under each program administered by the Secretary, acting through the Chief of the Forest Service, in an amount that is not less than the product obtained by multiplying—

(i) 90 percent of the amount that is equal to the aggregate amount of agency expenditures to be made under that program in all of the States for the fiscal year; by

(ii) the State percentage contribution to the Federal Government by the State for the fiscal year; or

(B) if making agency expenditures in a State in the amount determined under subparagraph (A) under any program is not practicable, shall make the requisite amount of funding available for use in the State under other programs administered by the Secretary of Agriculture.

(2) IMPLEMENTATION.—If, but for this section, the Secretary would make agency expenditures in a State in an amount that is less than the amount of the equitable State allocation, the Secretary shall reduce the amounts of agency expenditures to be made in States in which agency expenditures in more than the amounts of the equitable State allocations would be made, pro rata, by the amount necessary to enable the Secretary to make agency expenditures in the State in the full amount of its equitable State allocation.

AMENDMENT NO. 1480

At the end of the bill, add the following:

TITLE____—EQUITABLE ALLOCATION OF FUNDING UNDER NATIONAL AERONAUTICS AND SPACE ADMINISTRATION PROGRAMS

SEC. ___01. EQUITABLE ALLOCATION OF FUNDING UNDER NATIONAL AERONAUTICS AND SPACE ADMINISTRATION PROGRAMS.

(a) DEFINITIONS.—In this section—

(1) ADMINISTRATOR—The term ''Administrator'' means the Administrator of the National Aeronautics and Space Administration.

(2) AGENCY EXPENDITURE.—The term ''agency expenditure'' means any payment made by the Administrator to a State, a political subdivision of a State, or any other public or private person or entity in a State in the form of—

(A) a grant or other form of financial assistance;

(B) a payment under a contract; compensation of an employee or consultant; or

(C) any other form.

(3) EQUITABLE STATE ALLOCATION.—The term ''equitable State allocation'', with respect to a State and fiscal year, means the amount determined under subsection (c)(1) for the State and fiscal year.

(4) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(5) STATE DOLLAR CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State dollar contribution to the Federal Government'', with respect to a State and fiscal year, means the amount of revenues under the Internal Revenue Code of 1986 collected from, and the amount of user fees paid or any other payments made to the Federal Government by, all public and private persons or entities in the State during the fiscal year.

(6) STATE PERCENTAGE CONTRIBUTION TO THE FEDERAL GOVERNMENT.—The term ''State percentage contribution to the Federal Government'', with respect to a State and fiscal year, means the proportion, expressed as a percentage, that—

(A) the State dollar contribution to the Federal Government by the State; bears to

(B) the aggregate of the State dollar contributions to the Federal Government by all of the States for the fiscal year.

(b) DETERMINATIONS.—Not later than 30 days after the close of each fiscal year—

(1) the Secretary of the Treasury shall report to the Administrator the amount of revenues under the Internal Revenue Code of 1986 collected in each State during the fiscal year; and

(2) the Administrator shall determine the State dollar contribution to the Federal Government and the State percentage contribution to the Federal Government by each State for the fiscal year.

(c) EQUITABLE STATE ALLOCATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Administrator—

(A) shall make agency expenditures in each State in each fiscal year under each program administered by the Administrator, in an amount that is not less than the product obtained by multiplying—

(i) 90 percent of the amount that is equal to the aggregate amount of agency expenditures to be made under that program in all of the States for the fiscal year; by

(ii) the State percentage contribution to the Federal Government by the State for the fiscal year; or

(B) if making agency expenditures in a State in the amount determined under subparagraph (A) under any program is not practicable, shall make the requisite amount of funding available for use in the State under—

(i) other programs administered by the Administrator; or

(ii) transfer funds to the Secretary of Transportation to fund programs that apportion funds to States that are administered by the Secretary under title 23 or 49 of the United States Code.

(2) IMPLEMENTATION.—If, but for this section, the Administrator would make agency expenditures in a State in an amount that is less than the amount of the equitable State allocation, the Administrator shall reduce the amounts of agency expenditures to be made in States in which agency expenditures in more than the amounts of the equitable State allocations would be made, pro rata, by the amount necessary to enable the Administrator to make agency expenditures in the State in the full amount of its equitable State allocation.

AMENDMENT NO. 1481

At the end of the bill add the following:

TITLE ___—EQUITABLE ALLOCATION OF AIRPORT IMPROVEMENT PROGRAM FUNDING.

DEFINITIONS.—In this section:

(1) AIRPORT AND AIRWAY TRUST FUND.The term ''Airport and Airway Trust Fund'' means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) EQUITABLE STATE ALLOCATION.—The term ''equitable State allocation'', with respect to a State and fiscal year, means the amount determined under subsection (c)(1) for the State and fiscal year.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(4) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(5) STATE DOLLAR CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term ''State dollar contribution to the Airport and Airway Trust Fund'', with respect to a State and fiscal year, means the amount of funds equal to the amounts transferred to Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(6) STATE PERCENTAGE CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term ''State percentage contribution to the Airport and Airway Trust Fund'', with respect to a State and fiscal year, means the proportion, expressed as a percentage, that the State dollar contribution to the Airport and Airway Trust Fund bears to the aggregate of the State dollar contributions to the Airport and Airway Trust Fund collected from all of the States for the fiscal year.

(b) DETERMINATIONS.—Not later than 30 days after the close of each fiscal year—

(1) the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the fiscal year that are transferred to the Airport and Airway Trust Fund; and

(2) the Secretary shall determine the State dollar contribution to the Airport and Airway Trust Fund and State percentage contribution to the Airport and Airway Trust Fund of each State for the fiscal year.

(c) EQUITABLE STATE ALLOCATION.—

(1) IN GENERAL.—

(A) ALLOCATION.—Notwithstanding any other provision of law, each State shall be entitled to receive under each program administered by the Secretary for which funds are authorized to be transferred from the Airport and Airway Trust Fund, an amount for a fiscal year that is not less than 90 percent of the amount that is equal to the aggregate amount to be paid under that program to all of the States for the fiscal year (adjusted for any administrative costs referred to in section 9502(d)(1)(C) of the Internal Revenue Code of 1986) multiplied by the State percentage contribution to the Airport and Airway Trust Fund for the fiscal year.

(B) RULE OF CONSTRUCTION.—Nothing in this section is intended to permit a use of amounts made available to a State under this section in a manner that does not meet the applicable requirements of part B of subtitle VII of title 49, United States Code.

(2) IMPLEMENTATION.—If, but for this section, a State would be entitled to receive less than the amount of its equitable State allocation under a program administered by the Secretary, the Secretary shall deduct from the amounts to be paid to States that would be entitled to receive more than the equitable State allocations for those States, pro rata, the amount necessary to enable the Secretary to pay the State the full amount of its equitable State allocation.

AMENDMENT NO. 1482

On page 23, line 4, strike ''145'' and substitute ''130'' in lieu thereof:

AMENDMENT NO. 1483

Beginning on page 150, strike line 5 and all that follows through page 155, line 5, and insert the following:

(c) PERFORMANCE BONUS PROGRAM.—Section 119 of title 23, United States Code (as amended by subsection (b)), is amended by adding at the end the following:

''(d) PERFORMANCE BONUS PROGRAM.—

''(1) IN GENERAL.—For fiscal year 1998 and each fiscal year thereafter, the Secretary, from funds made available under this subsection, shall allocate—

''(A) $15,000,000 to each of the 5 States in which the percentage of Interstate System lane miles that is classified as being in fair condition or worse is the lowest; and

''(B) $15,000,000 to each of the 5 States in which the percentage of the number of bridges on public roads that are structurally deficient is the lowest.

''(2) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $150,000,000 for each of fiscal years 1998 through 2003.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 119(a) of title 23, United States Code, is amended in the first sentence by striking ''; except that the Secretary may only approve a project pursuant to this subsection on a toll road if such road is subject to a Secretarial agreement provided for in subsection (e)''.

(2) Section 1009(c)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 119 note; 105 Stat. 1934) is amended by striking ''section 119(f)(1)'' and inserting ''section 119(c)(1)''.

CHAPTER 2—PROJECT APPROVAL

SEC. 1221. TRANSFER OF HIGHWAY AND TRANSIT FUNDS.

Section 104 of title 23, United States Code (as amended by section 1118), is amended by inserting after subsection (k) the following:

''(l) TRANSFER OF HIGHWAY AND TRANSIT FUNDS.—

''(1) TRANSFER OF HIGHWAY FUNDS.—Funds made available under this title and transferred for transit projects shall be administered by the Secretary in accordance with chapter 53 of title 49, except that the provisions of this title relating to the non-Federal share shall apply to the transferred funds.

''(2) TRANSFER OF TRANSIT FUNDS.—Funds made available under chapter 53 of title 49 and transferred for highway projects shall be administered by the Secretary in accordance with this title, except that the provisions of that chapter relating to the non-Federal share shall apply to the transferred funds.

''(3) TRANSFER TO AMTRAK AND PUBLICLY-OWNED PASSENGER RAIL LINES.—Funds made available under this title or chapter 53 of title 49 and transferred to the National Railroad Passenger Corporation or to any publicly-owned intercity or intracity passenger rail line shall be administered by the Secretary in accordance with subtitle V of title 49, except that the provisions of this title or chapter 53 of title 49, as applicable, relating to the non-Federal share shall apply to the transferred funds.

''(4) TRANSFER OF OBLIGATION AUTHORITY.—Obligation authority provided for projects described in paragraphs (1) through (3) shall be transferred in the same manner and amount as the funds for the projects are transferred.''.

SEC. 1222. PROJECT APPROVAL AND OVERSIGHT.

(a) IN GENERAL.—Section 106 of title 23, United States Code, is amended—

(1) by striking the section heading and inserting the following:

''§ 106. Project approval and oversight'';

(2) by redesignating subsections (e) and (f) as subsections (h) and (i), respectively;

(3) by striking subsections (a) through (d) and inserting the following:

''(a) IN GENERAL.—Except as otherwise provided in this section, the State transportation department shall submit to the Secretary for approval such plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary shall act upon such plans, specifications, and estimates as soon as practicable after they have been submitted, and shall enter into a formal project agreement with the State transportation department formalizing the conditions of the project approval. The execution of such project agreement shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto. In taking such action, the Secretary shall be guided by the provisions of section 109 of this title.

''(b) PROJECT AGREEMENT.—The project agreement shall make provision for State funds required for the State's pro rata share of the cost of construction of the project and for the maintenance of the project after completion of construction. The Secretary may rely upon representations made by the State transportation department with respect to the arrangements or agreements made by the State transportation department and appropriate local officials where a part of the project is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

''(c) SPECIAL RULES FOR PROJECT OVERSIGHT.—

''(1) NHS PROJECTS.—Except as otherwise provided in subsection (d) of this section, the Secretary may discharge to the State any of the Secretary's responsibilities for the design, plans, specifications, estimates, contract awards, and inspection of projects under this title on the National Highway System. Before discharging responsibilities to the State, the Secretary shall reach agreement with the State as to the extent to which the State may assume the responsibilities of the Secretary under this subsection. The Secretary may not assume any greater responsibility than the Secretary is permitted under this title as of September 30, 1997, except upon agreement by the Secretary and the State.

''(2) NON-NHS PROJECTS.—For all projects under this title that are off the National Highway System, the State may request that the Secretary no longer review and approve the design, plans, specifications, estimates, contract awards, and inspection of projects under this title. After receiving any such request, the Secretary shall undertake project review only as requested by the State.

''(d) RESPONSIBILITIES OF THE SECRETARY.—

''(1) IN GENERAL.—Subject to paragraph (2), nothing in this section, section 133, or section 149 shall affect or discharge any responsibility or obligation of the Secretary under any Federal law other than this title.

''(2) LIMITATION.—Any responsibility or obligation of the Secretary under sections 113 and 114 of this title shall not be affected and may not be discharged under this section, section 133, or section 149.

''(e) VALUE ENGINEERING ANALYSIS.—In such cases as the Secretary determines advisable, plans, specifications, and estimates for proposed projects on any Federal-aid highway shall be accompanied by a value engineering or other cost reduction analysis.

''(f) FINANCIAL PLAN.—The Secretary shall require a financial plan to be prepared for

any project with an estimated total cost of $1,000,000,000 or more.

''(g) CONDITION OF METROPOLITAN HIGHWAYS; FISCAL CAPACITY.—Notwithstanding any other provision of law, before the Secretary approves any project that would result in the construction of a significant new highway or the addition of significant new capacity to an existing highway—

''(1) the State proposing the project shall—

''(A) demonstrate to the Secretary that the State possesses sufficient fiscal capacity to ensure that the State will be capable of maintaining the physical condition of the new highway or highway capacity to the satisfaction of the Secretary over the useful life of the highway; and

''(B) agree to maintain the highway for the entirety of the useful life of the highway; and

''(2) the condition of not more than 40 percent of the lane miles of routes on the Interstate System and other freeways and expressways in the metropolitan areas of the State is classified as being poor or mediocre.''.

AMENDMENT NO. 1484

Strike all after the enacting clause and insert the following:

SECTION 1. PURPOSES.

The purposes of this Act are—

(1) to make funds available for the Federal-aid highway, highway safety, motor carrier safety, and mass transportation programs for the first 6 months of fiscal year 1998 by extending the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1914) to ensure the continuation of the programs while a multiyear reauthorization is developed; and

(2) to provide a structure that allows programmatic, apportionment formula, and funding adjustments for the second 6 months of fiscal year 1998 through enactment of a law providing for a multiyear reauthorization.

SEC. 2. EXTENSION OF FEDERAL-AID HIGHWAY PROGRAMS.

(a) MAJOR PROGRAMS.—

(1) IN GENERAL.—Section 1003 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1918) is amended by adding at the end the following:

''(d) FEDERAL-AID HIGHWAYS FOR PERIOD OF OCTOBER 1, 1997, THROUGH MARCH 31, 1998.—

''(1) IN GENERAL.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) for Federal-aid highways and highway safety construction programs $11,942,375,000 for the period of October 1, 1997, through March 31, 1998.

''(B) DISTRIBUTION.—Amounts made available under subparagraph (A) shall be distributed in accordance with this subsection.

''(2) CERTAIN DISCRETIONARY PROGRAMS.—Of the amounts made available under paragraph (1), the Secretary shall deduct, for the period of October 1, 1997, through March 31, 1998—

''(A) $32,500,000 to carry out section 118(c)(2) of title 23, United States Code; and

''(B) $30,250,000 to carry out the discretionary program under paragraphs (1) and (2) of section 144(g) of that title.

''(3) STATE ALLOCATION PERCENTAGES.—Using amounts remaining after making the deductions under paragraph (2) and application of paragraphs (4) and (5), the Secretary shall determine the amount to be apportioned to each State in accordance with the percentage specified for the State in the following table:

''State:	Percentage:
Alabama	2.0026
Alaska	1.0499
Arizona	1.4627
Arkansas	1.5268
California	8.9046
Colorado	1.0443
Connecticut	1.9229
Delaware	0.4057
District of Columbia	0.4436
Florida	4.4867
Georgia	3.2899
Hawaii	0.6435
Idaho	0.6314
Illinois	3.6779
Indiana	2.4581
Iowa	1.1364
Kansas	1.1383
Kentucky	1.6617
Louisiana	1.4831
Maine	0.6458
Maryland	1.4512
Massachusetts	3.5632
Michigan	3.0432
Minnesota	1.4547
Mississippi	1.1286
Missouri	2.2677
Montana	0.7857
Nebraska	0.7501
Nevada	0.6218
New Hampshire	0.4764
New Jersey	2.6851
New Mexico	0.8767
New York	5.7882
North Carolina	2.7408
North Dakota	0.5972
Ohio	3.4702
Oklahoma	1.5021
Oregon	1.1378
Pennsylvania	4.5007
Rhode Island	0.4708
South Carolina	1.6019
South Dakota	0.5990
Tennessee	2.0954
Texas	6.9197
Utah	0.6672
Vermont	0.4287
Virginia	2.4440
Washington	1.7603
West Virginia	1.1088
Wisconsin	2.0159
Wyoming	0.5999
Puerto Rico	0.4312.

''(4) STATE PROGRAMMATIC DISTRIBUTION.—

''(A) IN GENERAL.—Of the funds to be apportioned to each State under paragraph (3), the Secretary shall ensure that the State is apportioned an amount of the funds, determined under subparagraph (B)—

''(i) for the Interstate maintenance program under section 119 of title 23, United States Code;

''(ii) for the National Highway System under section 103 of that title;

''(iii) for the bridge program under section 144 of that title;

''(iv) for the surface transportation program under section 133 of that title;

''(v) for the congestion mitigation and air quality improvement program under section 149 of that title;

''(vi) for minimum allocation under section 157 of that title;

''(vii) for Interstate reimbursement under section 160 of that title;

''(viii) for the donor State bonus under section 1013(c);

''(ix) for hold harmless under section 1015(a);

''(x) for the 90 percent of payments adjustments under section 1015(b);

''(xi) for metropolitan planning under section 134 of that title;

''(xii) for section 1015(c);

''(xiii) in an amount equal to the amount of funds provided under sections 1103 through 1108; and

''(xiv) for funding restoration under section 202 of the National Highway System Designation Act of 1995 (109 Stat. 571).

''(B) FORMULA.—The amount that each State shall be apportioned under this subsection for each item referred to in subparagraph (A) shall be determined by multiplying—

''(i) the amount apportioned to the State under paragraph (3); by

''(ii) the ratio that—

''(I) the amount of funds apportioned for the item, or allocated under sections 1103 through 1108, to the State for fiscal year 1997; bears to

''(II) the total of the amount of funds apportioned for the items, and allocated under those sections, to the State for fiscal year 1997.

''(C) MINIMUM ALLOCATION.—Not more than $319,500,000 of the funds apportioned to States under this subsection for minimum allocation under section 157 of title 23, United States Code, shall not be subject to any obligation limitation.

''(D) SPECIAL RULE.—Amounts apportioned to a State under this subsection that are attributable to sections 1103 through 1108 shall be available to the State for projects eligible for assistance under chapter 1 of title 23, United States Code.

''(E) ADMINISTRATION.—Funds authorized under this subsection shall be administered as if the funds had been apportioned, allocated, deducted, or set aside, as the case may be, under title 23, United States Code.

''(5) GENERAL OPERATING EXPENSES AND TERRITORIAL HIGHWAYS.—

''(A) GENERAL OPERATING EXPENSES.—After making the determinations and before apportioning funds under paragraphs (3) and (4), the Secretary shall deduct the amount that would be required to be deducted under section 104(a) of title 23, United States Code, from the aggregate of amounts to be apportioned to all States for programs to which the deduction under that section would apply if that section applied to the apportionment.

''(B) TERRITORIAL HIGHWAYS.—After making the determinations and before apportioning funds under paragraphs (3) and (4), the Secretary shall deduct the amount required to be deducted under section 104(b)(1) of title 23, United States Code, for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands from the aggregate of amounts to be apportioned to all States for the National Highway System under this subsection.''.

(2) NATIONAL RECREATIONAL TRAILS PROGRAM.—Section 104(h) of title 23, United States Code, is amended by inserting after ''1997'' the following: ''and $7,500,000 for the period of October 1, 1997, through March 31, 1998''.

(3) WOODROW WILSON BRIDGE.—Section 104(i)(1) of title 23, United States Code, is amended by inserting after ''1997'' the following: '', and for the period of October 1, 1997, through March 31, 1998,''.

(4) OFF-SYSTEM BRIDGES.—Section 144(g)(3) of title 23, United States Code, is amended by inserting after ''1997,'' the following: ''and for the period of October 1, 1997, through March 31, 1998,''.

(b) FEDERAL LANDS HIGHWAYS.—Section 1003(a)(6) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1919) is amended—

(1) in subparagraph (A)—

(A) by striking ''1992 and'' and inserting ''1992,''; and

(B) by inserting before the period at the end the following: '', and $95,500,000 for the period of October 1, 1997, through March 31, 1998'';

(2) in subparagraph (B)—

(A) by striking ''1995, and'' and inserting ''1995,''; and

(B) by inserting before the period at the end the following: ''and $86,000,000 for the period of October 1, 1997, through March 31, 1998''; and

(3) in subparagraph (C)—

(A) by striking ''1995, and'' and inserting ''1995,''; and

(B) by inserting before the period at the end the following: '', and $42,000,000 for the period of October 1, 1997, through March 31, 1998''.

(c) CERTAIN ALLOCATED PROGRAMS.—

(1) HIGHWAY USE TAX EVASION.—Section 1040(f)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat 1992) is amended in the first sentence by inserting before the period at the end the following: ''and $2,500,000 for the period of October 1, 1997, through March 31, 1998''.

(2) SCENIC BYWAYS PROGRAM.—Section 1047(d) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1998) is amended in the first sentence—

(A) by striking ''1994, and'' and inserting ''1994,''; and

(B) by inserting before the period at the end the following: '', and $7,000,000 for the period of October 1, 1997, through March 31, 1998''.

(3) FERRY BOAT CONSTRUCTION.—Section 1064(c) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 129 note; 105 Stat. 2005) is amended—

(A) by striking ''1996, and'' and inserting ''1996,''; and

(B) by inserting after ''1997'' the following: '', and $9,000,000 for the period of October 1, 1997, through March 31, 1998,''.

(d) FISCAL YEAR 1998 OBLIGATION LIMITATION.—

(1) IN GENERAL.—Section 1002 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1916) is amended—

(A) in subsection (a)—

(i) in paragraph (5), by striking ''and'' at the end;

(ii) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(7) $21,500,000,000 for fiscal year 1998.''; and

(B) by adding at the end the following:

''(h) SPECIAL RULE FOR FISCAL YEAR 1998.—The Secretary shall distribute—

''(1) on October 1, 1997, 50 percent of the limitation on obligations for Federal-aid highways and highway safety construction programs imposed by the Department of Transportation and Related Agencies Appropriations Act, 1998; and

''(2) on July 1, 1998, 50 percent of the limitation.''.

(2) LIMITATION.—Nothing in this section (including the amendments made by this section) shall apply to any funds made available before October 1, 1997, for carrying out—

(A) sections 125 and 157 of title 23, United States Code; and

(B) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

SEC. 3. EXTENSION OF HIGHWAY SAFETY PROGRAMS.

(a) NHTSA HIGHWAY SAFETY PROGRAMS.—Section 2005 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2079) is amended—

(1) in paragraph (1)—

(A) by striking ''1996, and'' and inserting ''1996,''; and

(B) by inserting before the period at the end the following: '', and $83,000,000 for the period of October 1, 1997, through March 31, 1998''; and

(2) in paragraph (2), by inserting before the period at the end the following: ''and $22,000,000 for the period of October 1, 1997, through March 31, 1998''.

(b) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES.—Section 410 of title 23, United States Code, is amended—

(1) in subsection (c)—

(A) by striking ''5'' and inserting ''6''; and

(B) in paragraph (3), by striking ''and fifth'' and inserting ''fifth, and sixth'';

(2) in subsection (d)(2)(B), by striking ''two'' and inserting ''3''; and

(3) in the first sentence of subsection (j)—

(A) by striking ''1997, and'' and inserting ''1997,''; and

(B) by inserting before the period at the end the following '', and $12,500,000 for the period of October 1, 1997, through March 31, 1998''.

(c) NATIONAL DRIVER REGISTER.—Section 30308(a) of title 49, United States Code, is amended—

(1) by striking ''1994, and'' and inserting ''1994,''; and

(2) by inserting after ''1997,'' the following: ''and $1,855,000 for the period of October 1, 1997, through March 31, 1998,''.

(d) OBLIGATION LIMITATION.—The total of all obligations for highway traffic safety grants under sections 402 and 410 of title 23, United States Code, for fiscal year 1998 shall not exceed $186,500,000.

SEC. 4. FEDERAL TRANSIT PROGRAMS.

(a) ALLOCATING AMOUNTS.—Section 5309(m)(1) of title 49, United States Code, is amended by inserting '', and for the period of October 1, 1997, through March 31, 1998'' after ''1997''.

(b) APPORTIONMENT OF APPROPRIATIONS FOR FIXED GUIDEWAY MODERNIZATION.—Section 5337 of title 49, United States Code, is amended—

(1) in subsection (a), by inserting ''and for the period of October 1, 1997, through March 31, 1998,'' after ''1997,''; and

(2) by adding at the end the following:

''(e) SPECIAL RULE FOR OCTOBER 1, 1997, THROUGH MARCH 31, 1998.—The Secretary shall determine the amount that each urbanized area is to be apportioned for fixed guideway modernization under this section on a pro rata basis to reflect the partial fiscal year 1998 funding made available by section 5338(b)(1)(F).''.

(c) AUTHORIZATIONS.—Section 5338 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by adding at the end following:

''(F) $1,284,792,000 for the period of October 1, 1997, through March 31, 1998.''; and

(B) in paragraph (2), by adding at the end the following:

''(F) $213,869,000 for the period of October 1, 1997, through March 31, 1998.'';

(2) in subsection (b)(1), by adding at the end the following:

''(F) $1,162,708,000 for the period of October 1, 1997, through March 31, 1998.'';

(3) in subsection (c), by inserting ''and not more than $1,500,000 for the period of October 1, 1997, through March 31, 1998,'' after ''1997,'';

(4) in subsection (e), by inserting ''and not more than $3,000,000 is available from the Fund (except the Account) for the Secretary for the period of October 1, 1997, through March 31, 1998,'' after ''1997,'';

(5) in subsection (h)(3), by inserting ''and $3,000,000 is available for section 5317 for the period of October 1, 1997, through March 31, 1998'' after ''1997'';

(6) in subsection (j)(5)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(D) the lesser of $1,500,000 or an amount that the Secretary determines is necessary is available for the period of October 1, 1997, through March 31, 1998.'';

(7) in subsection (k), by striking ''or (e)'' and inserting ''(e), or (m)''; and

(8) by adding at the end the following:

''(m) SECTION 5316 FOR THE PERIOD OF OCTOBER 1, 1997, THROUGH MARCH 31, 1998.—Not more than the following amounts may be appropriated to the Secretary from the Fund (except the Account) for the period of October 1, 1997, through March 31, 1998:

''(1) $125,000 to carry out section 5316(a).

''(2) $1,500,000 to carry out section 5316(b).

''(3) $500,000 to carry out section 5316(c).

''(4) $500,000 to carry out section 5316(d).

''(5) $500,000 to carry out section 5316(e).''.

(d) OBLIGATION LIMITATIONS.—

(1) DISCRETIONARY GRANTS AND LOANS.—The total of all obligations from the Mass Transit Account of the Highway Trust Fund for carrying out section 5309 of title 49, United States Code, relating to discretionary grants and loans, for fiscal year 1998 shall not exceed $2,000,000,000.

(2) FORMULA TRANSIT PROGRAMS.—The total of all obligations for formula transit programs under sections 5307, 5310, 5311, and 5336 of title 49, United States Code, for fiscal year 1998 shall not exceed $2,210,000,000.

SEC. 5. EXTENSION OF MOTOR CARRIER SAFETY PROGRAM.

(a) MOTOR CARRIER SAFETY FUNDING.—Section 31104(a) of title 49, United States Code, is amended—

(1) in paragraphs (1) through (5), by striking ''not more'' each place it appears and inserting ''Not more''; and

(2) by adding at the end the following:

''(6) Not more than $45,000,000 for the period of October 1, 1997, through March 31, 1998.''.

(b) OBLIGATION LIMITATION.—The total of all obligations for carrying out the motor carrier safety program under section 31102 of title 49, United States Code, for fiscal year 1998 shall not exceed $85,325,000.

SEC. 6. EXTENSION OF RESEARCH PROGRAMS.

(a) BUREAU OF TRANSPORTATION STATISTICS.—Section 6006 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2172) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Chapter I''; and

(2) in the first sentence of subsection (b)—

(A) by striking ''1996, and'' and inserting ''1996,''; and

(B) by inserting before the period at the end the following: '', and $12,500,000 for the period of October 1, 1997, through March 31, 1998''.

(b) INTELLIGENT TRANSPORTATION SYSTEMS.—Section 6058(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2194) is amended—

(1) by striking ''1992 and'' and inserting ''1992,''; and

(2) by inserting before the period at the end the following: '', and $56,500,000 for the period of October 1, 1997, through March 31, 1998''.

SEC. 7. 1-YEAR EXTENSION OF HIGHWAY TRUST FUND EXPENDITURES.

(a) GENERAL EXPENDITURE AUTHORITY AND PURPOSES.—Paragraph (1) of section 9503(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''October 1, 1997'' and inserting ''October 1, 1998''; and

(2) by striking the last sentence and inserting the following new flush sentence:

''In determining the authorizations under the Acts referred to in the preceding subparagraphs, such Acts shall be applied as in effect on the date of the enactment of this sentence.''.

(b) TRANSFERS TO OTHER ACCOUNTS.—

(1) Paragraphs (4)(A)(i) and (5)(A) of section 9503(c), and paragraph (3) of section 9503(e), of such Code are each amended by striking ''October 1, 1997'' and inserting ''October 1, 1998''.

(2) Subparagraph (E) of section 9503(c)(6) of such Code is amended by striking ''September 30, 1997'' and inserting ''September 30, 1998''.

(c) MASS TRANSIT ACCOUNT.—Paragraph (3) of section 9503(e) of such Code is amended—

(1) by striking ''October 1, 1997'' and inserting ''October 1, 1998''; and

(2) by striking all that follows ''the enactment of'' and inserting ''the last sentence of subsection (c)(1).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

AMENDMENT NO. 1485

On page 106, line 15, strike ''$70,000,000'' and substitute ''$130,000,000'' in lieu thereof.

AMENDMENT NO. 1486

On page 8, line 15, strike ''50'' and insert ''45'' in lieu thereof.

On page 10, line 11, strike ''50'' and insert ''45'' in lieu thereof.

On page 10, after line 6 insert the following:

''(iii) 10 percent in accordance with the reimbursement percentage original contributions to construction of segments of the Interstate System which were constructed without Federal assistance as specified in the following table:

States	Original cost in millions	Reimbursement percentage
Alabama	$9	0.50
Alaska	.....	0.50
Arizona	20	0.50
Arkansas	6	0.50
California	298	5.42
Colorado	23	0.50
Connecticut	314	5.71
Delaware	39	0.71
Florida	31	0.56
Georgia	46	0.84
Hawaii	.....	0.50
Idaho	5	0.50
Illinois	475	8.62
Indiana	167	3.03
Iowa	5	0.50
Kansas	101	1.84
Kentucky	32	0.57
Louisiana	22	0.50
Maine	38	0.69
Maryland	154	2.79
Massachusetts	283	5.14
Michigan	228	4.14
Minnesota	16	0.50
Mississippi	6	0.50
Missouri	74	1.35
Montana	5	0.50
Nebraska	1	0.50
Nevada	2	0.50
New Hampshire	8	0.50
New Jersey	353	6.41
New Mexico	8	0.50
New York	929	16.88
North Carolina	36	0.65
North Dakota	3	0.50
Ohio	257	4.68
Oklahoma	91	1.66
Oregon	78	1.42
Pennsylvania	354	6.43
Rhode Island	12	0.50
South Carolina	4	0.50
South Dakota	5	0.50
Tennessee	7	0.50
Texas	200	3.64
Utah	6	0.50
Vermont	1	0.50
Virginia	111	2.01
Washington	73	1.32
West Virginia	5	0.50
Wisconsin	8	0.50
Wyoming	9	0.50
D.C.	9	0.50
Totals	$4,967	100.00

AMENDMENT NO. 1487

On page 2, strike ''Sec. 1206 Metric Conversion at State Option'' and renumber succeeding sections.

On page 144, line 1, strike all that follows through line 5, and renumber the succeeding sections.

AMENDMENT NO. 1488

On page 156, strike lines 16 through 24 and insert the following

''(a) TRANSPORTATION ENHANCEMENT ACTIVITIES.—Section 133 of title 23, United States Code, is amended in subsection (e)—''.

AMENDMENT NO. 1489

Beginning on page 5, strike line 12 and all that follows through page 43, line 8, and insert the following:

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,970,000,000 for fiscal year 1998, $12,887,000,000 for fiscal year 1999, $12,932,000,000 for fiscal year 2000, $13,030,000,000 for fiscal year 2001, $13,300,000,000 for fiscal year 2002, and $13,779,000,000 for fiscal year 2003, of which—

(A) $5,044,000,000 for fiscal year 1998, $5,011,000,000 for fiscal year 1999, $5,029,000,000 for fiscal year 2000, $5,067,000,000 for fiscal year 2001, $5,172,000,000 for fiscal year 2002, and $5,359,000,000 for fiscal year 2003 shall be used for the Interstate maintenance component; and

(B) $1,535,000,000 for fiscal year 1998, $1,526,000,000 for fiscal year 1999, $1,531,000,000 for fiscal year 2000, $1,542,000,000 for fiscal year 2001, $1,574,000,000 for fiscal year 2002, and $1,631,000,000 for fiscal year 2003 shall be used for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,676,000,000 for fiscal year 1998, $7,626,000,000 for fiscal year 1999, $7,653,000,000 for fiscal year 2000, $7,711,000,000 for fiscal year 2001, $7,871,000,000 for fiscal year 2002, and $8,154,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,261,000,000 for fiscal year 1998, $1,253,000,000 for fiscal year 1999, $1,257,000,000 for fiscal year 2000, $1,267,000,000 for fiscal year 2001, $1,293,000,000 for fiscal year 2002, and $1,340,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105

of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

''§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States specified in paragraph (2) amounts sufficient to ensure that the State's percentage of the total apportionments for the fiscal year under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program is not less than the percentage specified for the State in paragraph (2).

''(2) STATE PERCENTAGES.—The percentage referred to in paragraph (1) for a specified State shall be determined in accordance with the following table:

''State	Percentage
Connecticut	1.75
Hawaii	0.61
Maine	0.58
Maryland	1.52
Massachusetts	2.00
Nevada	0.74
New Hampshire	0.53
New Jersey	2.45
New Mexico	1.06
Rhode Island	0.59.

''(b) TREATMENT OF ALLOCATIONS.—

''(1) OBLIGATION.—Amounts allocated under subsection (a)—

''(A) shall be available for obligation when allocated and shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are allocated; and

''(B) shall be available for any purpose eligible for funding under this title.

''(2) SET-ASIDE.—Fifty percent of the amounts allocated under subsection (a) shall be subject to section 133(d)(3).

''(c) TREATMENT OF WITHHELD APPORTIONMENTS.—For the purpose of subsection (a), any funds that, but for section 158(b) or any other provision of law under which Federal-aid highway funds are withheld from apportionment, would be apportioned to a State for a fiscal year under a section referred to in subsection (a) shall be treated as being apportioned in that fiscal year.

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this section.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 105 and inserting the following:

''105. Minimum guarantee.''.

(d) AUDITS OF HIGHWAY TRUST FUND.—Section 104 of title 23, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) AUDITS OF HIGHWAY TRUST FUND.—From available administrative funds deducted under subsection (a), the Secretary may reimburse the Office of Inspector General of the Department of Transportation for the conduct of annual audits of financial statements in accordance with section 3521 of title 31.''.

(e) TECHNICAL AMENDMENTS.—Section 104 of title 23, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting ''NOTIFICATION TO STATES.—'' after ''(e)'';

(B) in the first sentence—

(i) by striking ''(other than under subsection (b)(5) of this section)''; and

(ii) by striking ''and research'';

(C) by striking the second sentence; and

(D) in the last sentence, by striking '', except that'' and all that follows through ''such funds''; and

(2) in subsection (f)—

(A) by striking ''(f)(1) On'' and inserting the following:

''(f) METROPOLITAN PLANNING.—

''(1) SET-ASIDE.—On'';

(B) by striking ''(2) These'' and inserting the following:

''(2) APPORTIONMENT TO STATES OF SET-ASIDE FUNDS.—These'';

(C) by striking ''(3) The'' and inserting the following:

''(3) USE OF FUNDS.—The''; and

(D) by striking ''(4) The'' and inserting the following:

''(4) DISTRIBUTION OF FUNDS WITHIN STATES.—The''.

(f) CONFORMING AMENDMENTS.—

(1) Section 146(a) of title 23, United States Code, is amended in the first sentence by striking '', 104(b)(2), and 104(b)(6)'' and inserting ''and 104(b)(2)''.

(2)(A) Section 150 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 150.

(3) Section 158 of title 23, United States Code, is amended—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated)—

(I) by striking ''AFTER THE FIRST YEAR'' and inserting ''IN GENERAL''; and

(II) by striking '', 104(b)(2), 104(b)(5), and 104(b)(6)'' and inserting ''and 104(b)(2)''; and

(iv) in paragraph (2) (as redesignated by clause (ii)), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(B) by striking subsection (b) and inserting the following:

''(b) EFFECT OF WITHHOLDING OF FUNDS.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to that State.''.

(4)(A) Section 157 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 157.

(5)(A) Section 115(b)(1) of title 23, United States Code, is amended by striking ''or 104(b)(5), as the case may be,''.

(B) Section 137(f)(1) of title 23, United States Code, is amended by striking ''section 104(b)(5)(B) of this title'' and inserting ''section 104(b)(1)(A)''.

(C) Section 141(c) of title 23, United States Code, is amended by striking ''section 104(b)(5) of this title'' each place it appears and inserting ''section 104(b)(1)(A)''.

(D) Section 142(c) of title 23, United States Code, is amended by striking ''(other than section 104(b)(5)(A))''.

(E) Section 159 of title 23, United States Code, is amended—

(i) by striking ''(5) of'' each place it appears and inserting ''(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997) of''; and

(ii) in subsection (b)—

(I) in paragraphs (1)(A)(i) and (3)(A), by striking ''section 104(b)(5)(A)'' each place it appears and inserting ''section 104(b)(5)(A) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(II) in paragraph (1)(A)(ii), by striking ''section 104(b)(5)(B)'' and inserting ''section 104(b)(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(III) in paragraph (3)(B), by striking ''(5)(B)'' and inserting ''(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(IV) in paragraphs (3) and (4), by striking ''section 104(b)(5)'' each place it appears and inserting ''section 104(b)(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

(F) Section 161(a) of title 23, United States Code, is amended by striking ''paragraphs (1), (3), and (5)(B) of section 104(b)'' each place it appears and inserting ''paragraphs (1) and (3) of section 104(b)''.

(6)(A) Section 104(g) of title 23, United States Code, is amended—

(i) in the first sentence, by striking ''sections 130, 144, and 152 of this title'' and inserting ''subsection (b)(1)(B) and sections 130 and 152'';

(ii) in the first and second sentences—

(I) by striking ''section'' and inserting ''provision''; and

(II) by striking ''such sections'' and inserting ''those provisions''; and

(iii) in the third sentence—

(I) by striking ''section 144'' and inserting ''subsection (b)(1)(B)''; and

(II) by striking ''subsection (b)(1)'' and inserting ''subsection (b)(1)(C)''.

(B) Section 115 of title 23, United States Code, is amended—

(i) in subsection (a)(1)(A)(i), by striking ''104(b)(2), 104(b)(3), 104(f), 144,'' and inserting ''104(b)(1)(B), 104(b)(2), 104(b)(3), 104(f),''; and

(ii) in subsection (c), by striking ''144,,''.

(C) Section 120(e) of title 23, United States Code, is amended in the last sentence by striking ''and in section 144 of this title''.

(D) Section 151(d) of title 23, United States Code, is amended by striking ''section 104(a), section 307(a), and section 144 of this title'' and inserting ''subsections (a) and (b)(1)(B) of section 104 and section 307(a)''.

(E) Section 204(c) of title 23, United States Code, is amended in the first sentence by striking ''or section 144 of this title''.

(F) Section 303(g) of title 23, United States Code, is amended by striking ''section 144 of this title'' and inserting ''section 104(b)(1)(B)''.

SEC. 1103. OBLIGATION CEILING.

(a) GENERAL LIMITATIONS.—Subject to the other provisions of this section and notwithstanding any other provision of law, the total amount of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $21,800,000,000 for fiscal year 1998;

(2) $22,802,000,000 for fiscal year 1999;

(3) $22,939,000,000 for fiscal year 2000;

(4) $23,183,000,000 for fiscal year 2001;

(5) $23,699,000,000 for fiscal year 2002; and

(6) $24,548,000,000 for fiscal year 2003.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The limitations under subsection (a) shall not apply to obligations of funds under—

(A) section 105(a) of title 23, United States Code (but, for each of fiscal years 1998 through 2003, only in an amount equal to the amount included for section 157 of title 23, United States Code, in the baseline determined by the Congressional Budget Office for the fiscal year 1998 budget);

(B) section 125 of that title;

(C) section 157 of that title (as in effect on the day before the date of enactment of this Act);

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(F) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(G) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198); and

(H) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

(2) EFFECT OF OTHER LAW.—A provision of law establishing a limitation on obligations for Federal-aid highways and highway safety construction programs may not amend or limit the applicability of this subsection, unless the provision specifically amends or limits that applicability.

(c) APPLICABILITY TO TRANSPORTATION RESEARCH PROGRAMS.—Obligation limitations for Federal-aid highways and highway safety construction programs established by subsection (a) shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code.

(d) OBLIGATION AUTHORITY.—Section 118 of title 23, United States Code, is amended by adding at the end the following:

''(g) OBLIGATION AUTHORITY.—

''(1) DISTRIBUTION.—For each fiscal year, the Secretary shall—

''(A) distribute the total amount of obligation authority for Federal-aid highways and highway safety construction programs made available for the fiscal year by allocation in the ratio that—

''(i) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to each State for the fiscal year; bears to

''(ii) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to all States for the fiscal year;

''(B) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State; and

''(C) notwithstanding subparagraphs (A) and (B), not distribute—

''(i) amounts deducted under section 104(a) for administrative expenses;

''(ii) amounts set aside under section 104(k) for Interstate 4R and bridge projects;

''(iii) amounts made available under sections 143, 164, 165, 204, 206, 207, and 322;

''(iv) amounts made available under section 111 of title 49;

''(v) amounts made available under section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.);

''(vi) amounts made available under section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938);

''(vii) amounts made available under sections 1503, 1603, and 1604 of the Intermodal Surface Transportation Efficiency Act of 1997;

''(viii) amounts made available under section 149(d) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 201);

''(ix) amounts made available under section 105(a) to the extent that the amounts are subject to any obligation limitation under section 1103(a) of the Intermodal Surface Transportation Efficiency Act of 1997;''.

AMENDMENT NO. 1490

On page 177, between lines 5 and 6, insert the following:

(e) FUNDING.—Section 1064 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 129 note; 105 Stat. 2005) is amended by striking subsection (c) and inserting the following:

''(c) FUNDING.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) for obligation at the discretion of the Secretary in carrying out this section $20,000,000 for each of fiscal years 1998 through 2003.

''(2) AVAILABILITY.—Amounts made available under paragraph (1) shall remain available until expended.''.

AMENDMENT NO. 1491

On page 20, line 22, strike all that follows through page 28, line 20, and insert the following in lieu thereof:

''(c) MAXIMUM APPORTIONMENT.—

''(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

''(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

''(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

''(C) the product obtained by multiplying the annual average of the total apportionments determined under subparagraph (B) by 145%;

''(D) for each of the fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(C), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(C).

''(E) REDISTRIBUTION OF FUNDS.—

''(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be distributed proportionately under section (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (D).

''(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State may not exceed 145 percent.

AMENDMENT NO. 1492

On page 136, after line 22, insert the following:

''SEC. 1128 HIGH COST BRIDGE AND INTERSTATE SYSTEM RECONSTRUCTION AND IMPROVEMENT PROGRAM.

(a) IN GENERAL.—The following new section is added to Chapter 1, Title 23, United States Code:

''§ 166. High cost bridge and interstate system reconstruction and improvement program

''(a) ESTABLISHMENT.—The Secretary shall establish and implement a high cost bridge and interstate reconstruction and improvement program in accordance with this section.

''(b) ELIGIBLE PROJECTS.—Funds made available to carry out the high cost bridge and interstate reconstruction and improvement program under this section for a fiscal year shall be available for obligation by the Secretary for major projects to replace or rehabilitate deficient bridges or any major reconstruction or improvement project to any highway designated as part of the Interstate System and open to traffic before the date of the enactment of the Intermodal Surface Transportation Efficiency Act of 1997. Such funds shall be made available by the Secretary to any State applying for such funds only if the Secretary determines that—

''(1) the total cost of the project is greater than the lesser of $200,000,000 or 50 percent of the aggregate amount of funds apportioned to the State under this title for such fiscal year;

''(2) the project is a ready-to-commence project;

''(3) the State agrees that it will not transfer funds apportioned to it under section 104(b)(5) for such fiscal year to any other program category; and

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MOSELEY-BRAUN (AND DURBIN) AMENDMENTS NOS. 1493–1505

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN (for herself and Mr. DURBIN) submitted 13 amendments intended to be proposed by them to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1493

Beginning on page 5, strike line 1 and all that follows through page 188, line 25 and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,345,933,000 for fiscal year 1998, $12,174,933,000 for fiscal year 1999, $12,186,233,000 for fiscal year 2000, $12,286,233,000 for fiscal year 2001, $12,614,233,000 for fiscal year 2002, and $13,150,233,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,215,624,000 for fiscal year 1998, $7,229,624,000 for fiscal year 1999, $7,271,624,000 for fiscal year 2000, $7,328,624,000 for fiscal year 2001, $7,478,624,000 for fiscal year 2002, and $8,014,624,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,185,424,000 for fiscal year 1998, $1,187,424,000 for fiscal year 1999, $1,194,424,000 for fiscal year 2000, $1,204,424,000 for fiscal year 2001, $1,228,424,000 for fiscal year 2002, and $1,265,424,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title.''.

(c) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

''§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that—

''(A) the ratio that—

''(i) each State's percentage of the total apportionments for the fiscal year—

''(I) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) under this section; bears to

''(ii) each State's percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available;

is not less than 0.90; and

''(B) in the case of a State specified in paragraph (2), the State's percentage of the total apportionments for the fiscal year described in subclauses (I) and (II) of subparagraph (A)(i).

''(2) STATE PERCENTAGES.—The percentage referred to in paragraph (1)(B) for a specified State shall be determined in accordance with the following table:

''State	Percentage
Alaska	1.24
Arkansas	1.33
Delaware	0.47
Hawaii	0.55
Idaho	0.82
Montana	1.06
Nevada	0.73
New Hampshire	0.52
New Jersey	2.41
New Mexico	1.05
North Dakota	0.73
Rhode Island	0.58
South Dakota	0.78
Vermont	0.47
Wyoming	0.76.

''(b) TREATMENT OF ALLOCATIONS.—

''(1) OBLIGATION.—Amounts allocated under subsection (a)—

''(A) shall be available for obligation when allocated and shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are allocated; and

''(B) shall be available for any purpose eligible for funding under this title.

''(2) SET-ASIDE.—Fifty percent of the amounts allocated under subsection (a) shall be subject to section 133(d)(3).

''(c) TREATMENT OF WITHHELD APPORTIONMENTS.—For the purpose of subsection (a), any funds that, but for section 158(b) or any other provision of law under which Federal-aid highway funds are withheld from apportionment, would be apportioned to a State for a fiscal year under a section referred to in subsection (a) shall be treated as being apportioned in that fiscal year.

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this section.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 105 and inserting the following:

''105. Minimum guarantee.''.

(d) AUDITS OF HIGHWAY TRUST FUND.—Section 104 of title 23, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) AUDITS OF HIGHWAY TRUST FUND.—From available administrative funds deducted under subsection (a), the Secretary may reimburse the Office of Inspector General of the Department of Transportation for the conduct of annual audits of financial statements in accordance with section 3521 of title 31.''.

(e) TECHNICAL AMENDMENTS.—Section 104 of title 23, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting ''NOTIFICATION TO STATES.—'' after ''(e)'';

(B) in the first sentence—

(i) by striking ''(other than under subsection (b)(5) of this section)''; and

(ii) by striking ''and research'';

(C) by striking the second sentence; and

(D) in the last sentence, by striking '', except that'' and all that follows through ''such funds''; and

(2) in subsection (f)—

(A) by striking ''(f)(1) On'' and inserting the following:

''(f) METROPOLITAN PLANNING.—

''(1) SET-ASIDE.—On'';

(B) by striking ''(2) These'' and inserting the following:

''(2) APPORTIONMENT TO STATES OF SET-ASIDE FUNDS.—These'';

(C) by striking ''(3) The'' and inserting the following:

''(3) USE OF FUNDS.—The''; and

(D) by striking ''(4) The'' and inserting the following:

''(4) DISTRIBUTION OF FUNDS WITHIN STATES.—The''.

(f) CONFORMING AMENDMENTS.—

(1) Section 146(a) of title 23, United States Code, is amended in the first sentence by striking '', 104(b)(2), and 104(b)(6)'' and inserting ''and 104(b)(2)''.

(2)(A) Section 150 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 150.

(3) Section 158 of title 23, United States Code, is amended—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated)—

(I) by striking ''AFTER THE FIRST YEAR'' and inserting ''IN GENERAL''; and

(II) by striking '', 104(b)(2), 104(b)(5), and 104(b)(6)'' and inserting ''and 104(b)(2)''; and

(iv) in paragraph (2) (as redesignated by clause (ii)), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(B) by striking subsection (b) and inserting the following:

''(b) EFFECT OF WITHHOLDING OF FUNDS.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to that State.''.

(4)(A) Section 157 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 157.

(5)(A) Section 115(b)(1) of title 23, United States Code, is amended by striking ''or 104(b)(5), as the case may be,''.

(B) Section 137(f)(1) of title 23, United States Code, is amended by striking ''section 104(b)(5)(B) of this title'' and inserting ''section 104(b)(1)(A)''.

(C) Section 141(c) of title 23, United States Code, is amended by striking ''section 104(b)(5) of this title'' each place it appears and inserting ''section 104(b)(1)(A)''.

(D) Section 142(c) of title 23, United States Code, is amended by striking ''(other than section 104(b)(5)(A))''.

(E) Section 159 of title 23, United States Code, is amended—

(i) by striking ''(5) of'' each place it appears and inserting ''(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997) of''; and

(ii) in subsection (b)—

(I) in paragraphs (1)(A)(i) and (3)(A), by striking ''section 104(b)(5)(A)'' each place it appears and inserting ''section 104(b)(5)(A) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(II) in paragraph (1)(A)(ii), by striking ''section 104(b)(5)(B)'' and inserting ''section 104(b)(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(III) in paragraph (3)(B), by striking ''(5)(B)'' and inserting ''(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(IV) in paragraphs (3) and (4), by striking ''section 104(b)(5)'' each place it appears and inserting ''section 104(b)(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

(F) Section 161(a) of title 23, United States Code, is amended by striking ''paragraphs (1), (3), and (5)(B) of section 104(b)'' each place it appears and inserting ''paragraphs (1) and (3) of section 104(b)''.

(6)(A) Section 104(g) of title 23, United States Code, is amended—

(i) in the first sentence, by striking ''sections 130, 144, and 152 of this title'' and inserting ''subsection (b)(1)(B) and sections 130 and 152'';

(ii) in the first and second sentences—

(I) by striking ''section'' and inserting ''provision''; and

(II) by striking ''such sections'' and inserting ''those provisions''; and

(iii) in the third sentence—

(I) by striking ''section 144'' and inserting ''subsection (b)(1)(B)''; and

(II) by striking ''subsection (b)(1)'' and inserting ''subsection (b)(1)(C)''.

(B) Section 115 of title 23, United States Code, is amended—

(i) in subsection (a)(1)(A)(i), by striking ''104(b)(2), 104(b)(3), 104(f), 144,'' and inserting ''104(b)(1)(B), 104(b)(2), 104(b)(3), 104(f),''; and

(ii) in subsection (c), by striking ''144,,''.

(C) Section 120(e) of title 23, United States Code, is amended in the last sentence by striking ''and in section 144 of this title''.

(D) Section 151(d) of title 23, United States Code, is amended by striking ''section 104(a), section 307(a), and section 144 of this title'' and inserting ''subsections (a) and (b)(1)(B) of section 104 and section 307(a)''.

(E) Section 204(c) of title 23, United States Code, is amended in the first sentence by striking ''or section 144 of this title''.

(F) Section 303(g) of title 23, United States Code, is amended by striking ''section 144 of this title'' and inserting ''section 104(b)(1)(B)''.

SEC. 1103. OBLIGATION CEILING.

(a) GENERAL LIMITATIONS.—Subject to the other provisions of this section and notwithstanding any other provision of law, the total amount of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $21,800,000,000 for fiscal year 1998;

(2) $22,802,000,000 for fiscal year 1999;

(3) $22,939,000,000 for fiscal year 2000;

(4) $23,183,000,000 for fiscal year 2001;

(5) $23,699,000,000 for fiscal year 2002; and

(6) $24,548,000,000 for fiscal year 2003.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The limitations under subsection (a) shall not apply to obligations of funds under—

(A) section 105(a) of title 23, United States Code (but, for each of fiscal years 1998 through 2003, only in an amount equal to the amount included for section 157 of title 23, United States Code, in the baseline determined by the Congressional Budget Office for the fiscal year 1998 budget), excluding amounts allocated under section 105(a)(1)(B) of that title;

(B) section 125 of that title;

(C) section 157 of that title (as in effect on the day before the date of enactment of this Act);

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(F) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(G) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198); and

(H) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

(2) EFFECT OF OTHER LAW.—A provision of law establishing a limitation on obligations for Federal-aid highways and highway safety construction programs may not amend or limit the applicability of this subsection, unless the provision specifically amends or limits that applicability.

(c) APPLICABILITY TO TRANSPORTATION RESEARCH PROGRAMS.—Obligation limitations for Federal-aid highways and highway safety construction programs established by subsection (a) shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code.

(d) OBLIGATION AUTHORITY.—Section 118 of title 23, United States Code, is amended by adding at the end the following:

''(g) OBLIGATION AUTHORITY.—

''(1) DISTRIBUTION.—For each fiscal year, the Secretary shall—

''(A) distribute the total amount of obligation authority for Federal-aid highways and highway safety construction programs made available for the fiscal year by allocation in the ratio that—

''(i) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to each State for the fiscal year; bears to

''(ii) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to all States for the fiscal year;

''(B) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State; and

''(C) notwithstanding subparagraphs (A) and (B), not distribute—

''(i) amounts deducted under section 104(a) for administrative expenses;

''(ii) amounts set aside under section 104(k) for Interstate 4R and bridge projects;

''(iii) amounts made available under sections 143, 164, 165, 204, 206, 207, and 322;

''(iv) amounts made available under section 111 of title 49;

''(v) amounts made available under section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.);

''(vi) amounts made available under section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938);

''(vii) amounts made available under sections 1503, 1603, and 1604 of the Intermodal Surface Transportation Efficiency Act of 1997;

''(viii) amounts made available under section 149(d) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 201);

''(ix) amounts made available under section 105(a)(1)(A) to the extent that the amounts are subject to any obligation limitation under section 1103(a) of the Intermodal Surface Transportation Efficiency Act of 1997;

''(x) amounts made available for implementation of programs under chapter 5 of this title and sections 5222, 5232, and 5241 of title 49; and

''(xi) amounts made available under section 412 of the Woodrow Wilson Memorial Bridge Authority Act of 1995.

''(2) REDISTRIBUTION.—Notwithstanding paragraph (1), the Secretary shall, after August 1 of each of fiscal years 1998 through 2003—

''(A) revise a distribution of the funds made available under paragraph (1) for the fiscal year if a State will not obligate the amount distributed during the fiscal year; and

''(B) redistribute sufficient amounts to those States able to obligate amounts in addition to the amounts previously distributed during the fiscal year, giving priority to those States that have large unobligated balances of funds apportioned under section 104 and under section 144 (as in effect on the day before the date of enactment of this subparagraph).''.

(e) APPLICABILITY OF OBLIGATION LIMITATIONS.—An obligation limitation established by a provision of any other Act shall not apply to obligations under a program funded under this Act or title 23, United States Code, unless—

(1) the provision specifically amends or limits the applicability of this subsection; or

(2) an obligation limitation is specified in this Act with respect to the program.

SEC. 1104. OBLIGATION AUTHORITY UNDER SURFACE TRANSPORTATION PROGRAM.

Section 133 of title 23, United States Code, is amended by striking subsection (f) and inserting the following:

''(f) OBLIGATION AUTHORITY.—

''(1) IN GENERAL.—A State that is required to obligate in an urbanized area with an urbanized area population of over 200,000 individuals under subsection (d) funds apportioned to the State under section 104(b)(3) shall make available during the 3-fiscal year period of 1998 through 2000, and the 3-fiscal year period of 2001 through 2003, an amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs for use in the area that is equal to the amount obtained by multiplying—

''(A) the aggregate amount of funds that the State is required to obligate in the area under subsection (d) during each such period; by

''(B) the ratio that—

''(i) the aggregate amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs during the period; bears to

''(ii) the total of the sums apportioned to the State for Federal-aid highways and highway safety construction programs (excluding sums not subject to an obligation limitation) during the period.

''(2) JOINT RESPONSIBILITY.—Each State, each affected metropolitan planning organization, and the Secretary shall jointly ensure compliance with paragraph (1).''.

SEC. 1105. EMERGENCY RELIEF.

(a) FEDERAL SHARE.—Section 120(e) of title 23, United States Code, is amended in the first sentence by striking ''highway system'' and inserting ''highway''.

(b) ELIGIBILITY AND FUNDING.—Section 125 of title 23, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively;

(3) by inserting after the section heading the following:

''(a) GENERAL ELIGIBILITY.—Subject to this section and section 120, an emergency fund is authorized for expenditure by the Secretary for the repair or reconstruction of highways, roads, and trails, in any part of the United States, including Indian reservations, that the Secretary finds have suffered serious damage as a result of—

''(1) natural disaster over a wide area, such as by a flood, hurricane, tidal wave, earthquake, severe storm, or landslide; or

''(2) catastrophic failure from any external cause.

''(b) RESTRICTION ON ELIGIBILITY.—In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges that have been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to a structural deficiency or physical deterioration.

''(c) FUNDING.—Subject to the following limitations, there are hereby authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) such sums as may be necessary to establish the fund authorized by this section and to replenish it on an annual basis:

''(1) Not more than $100,000,000 is authorized to be obligated in any 1 fiscal year commencing after September 30, 1980, to carry out the provisions of this section, except that, if in any fiscal year the total of all obligations under this section is less than the amount authorized to be obligated in such fiscal year, the unobligated balance of such amount shall remain available until expended and shall be in addition to amounts otherwise available to carry out this section each year.

''(2) Pending such appropriation or replenishment, the Secretary may obligate from any funds heretofore or hereafter appropriated for obligation in accordance with this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, provided that such funds are reimbursed from the appropriations authorized in paragraph (1) of this subsection when such appropriations are made.'';

(4) in subsection (d) (as so redesignated), by striking ''subsection (c)'' both places it appears and inserting ''subsection (e)''; and

(5) in subsection (e) (as so redesignated), by striking ''on any of the Federal-aid highway systems'' and inserting ''Federal-aid highways''.

(c) SAN MATEO COUNTY, CALIFORNIA.—Notwithstanding any other provision of law, a project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, that—

(1) was destroyed as a result of a combination of storms in the winter of 1982–1983 and a mountain slide; and

(2) until its destruction, served as the only reasonable access route between 2 cities and as the designated emergency evacuation route of 1 of the cities;

shall be eligible for assistance under section 125(a) of title 23, United States Code, if the project complies with the local coastal plan.

SEC. 1106. FEDERAL LANDS HIGHWAYS PROGRAM.

(a) FEDERAL SHARE PAYABLE.—Section 120 of title 23, United States Code, is amended by adding at the end the following:

''(j) USE OF FEDERAL LAND MANAGEMENT AGENCY FUNDS.—Notwithstanding any other provision of law, the funds appropriated to any Federal land management agency may be used to pay the non-Federal share of the cost of any Federal-aid highway project the Federal share of which is funded under section 104.

''(k) USE OF FEDERAL LANDS HIGHWAYS PROGRAM FUNDS.—Notwithstanding any other provision of law, the funds made available to carry out the Federal lands highways program under section 204 may be used to pay the non-Federal share of the cost of any project that is funded under section 104 and that provides access to or within Federal or Indian lands.''.

(b) AVAILABILITY OF FUNDS.—Section 203 of title 23, United States Code, is amended by adding at the end the following: ''Notwithstanding any other provision of law, the authorization by the Secretary of engineering and related work for a Federal lands highways program project, or the approval by the Secretary of plans, specifications, and estimates for construction of a Federal lands highways program project, shall be deemed to constitute a contractual obligation of the Federal Government to the pay the Federal share of the cost of the project.''.

(c) PLANNING AND AGENCY COORDINATION.—Section 204 of title 23, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Recognizing the need for all Federal roads that are public roads to be treated under uniform policies similar to the policies that apply to Federal-aid highways, there is established a coordinated Federal lands highways program that shall apply to public lands highways, park roads and parkways, and Indian reservation roads and bridges.

''(2) TRANSPORTATION PLANNING PROCEDURES.—In consultation with the Secretary of each appropriate Federal land management agency, the Secretary shall develop, by rule, transportation planning procedures that are consistent with the metropolitan and statewide planning processes required under sections 134 and 135.

''(3) APPROVAL OF TRANSPORTATION IMPROVEMENT PROGRAM.—The transportation improvement program developed as a part of the transportation planning process under this section shall be approved by the Secretary.

''(4) INCLUSION IN OTHER PLANS.—All regionally significant Federal lands highways program projects—

''(A) shall be developed in cooperation with States and metropolitan planning organizations; and

''(B) shall be included in appropriate Federal lands highways program, State, and metropolitan plans and transportation improvement programs.

''(5) INCLUSION IN STATE PROGRAMS.—The approved Federal lands highways program transportation improvement program shall be included in appropriate State and metropolitan planning organization plans and programs without further action on the transportation improvement program.

''(6) DEVELOPMENT OF SYSTEMS.—The Secretary and the Secretary of each appropriate Federal land management agency shall, to the extent appropriate, develop safety, bridge, pavement, and congestion management systems for roads funded under the Federal lands highways program.'';

(2) in subsection (b), by striking the first 3 sentences and inserting the following: ''Funds available for public lands highways, park roads and parkways, and Indian reservation roads shall be used by the Secretary and the Secretary of the appropriate Federal land management agency to pay for the cost of transportation planning, research, engineering, and construction of the highways, roads, and parkways, or of transit facilities within public lands, national parks, and Indian reservations. In connection with activities under the preceding sentence, the Secretary and the Secretary of the appropriate Federal land management agency may enter into construction contracts and other appropriate contracts with a State or civil subdivision of a State or Indian tribe.'';

(3) in the first sentence of subsection (e), by striking ''Secretary of the Interior'' and inserting ''Secretary of the appropriate Federal land management agency'';

(4) in subsection (h), by adding at the end the following:

''(8) A project to build a replacement of the federally owned bridge over the Hoover Dam in the Lake Mead National Recreation Area between Nevada and Arizona.'';

(5) by striking subsection (i) and inserting the following:

''(i) TRANSFERS OF COSTS TO SECRETARIES OF FEDERAL LAND MANAGEMENT AGENCIES.—

''(1) ADMINISTRATIVE COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay necessary administrative costs of the agency in connection with public lands highways.

''(2) TRANSPORTATION PLANNING COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay the cost to the agency to conduct necessary transportation planning for Federal lands, if funding for the planning is not otherwise provided under this section.''; and

(6) in subsection (j), by striking the second sentence and inserting the following: ''The Indian tribal government, in cooperation with the Secretary of the Interior, and as appropriate, with a State, local government, or metropolitan planning organization, shall carry out a transportation planning process in accordance with subsection (a).''.

SEC. 1107. RECREATIONAL TRAILS PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code, is amended by inserting after section 205 the following:

''§ 206. Recreational trails program

''(a) DEFINITIONS.—

''(1) MOTORIZED RECREATION.—The term 'motorized recreation' means off-road recreation using any motor-powered vehicle, except for a motorized wheelchair.

''(2) RECREATIONAL TRAIL; TRAIL.—The term 'recreational trail' or 'trail' means a thoroughfare or track across land or snow, used for recreational purposes such as—

''(A) pedestrian activities, including wheelchair use;

''(B) skating or skateboarding;

''(C) equestrian activities, including carriage driving;

''(D) nonmotorized snow trail activities, including skiing;

''(E) bicycling or use of other human-powered vehicles;

''(F) aquatic or water activities; and

''(G) motorized vehicular activities, including all-terrain vehicle riding, motorcycling, snowmobiling, use of off-road light trucks, or use of other off-road motorized vehicles.

''(b) PROGRAM.—In accordance with this section, the Secretary, in consultation with the Secretary of the Interior and the Secretary of Agriculture, shall carry out a program to provide and maintain recreational trails (referred to in this section as the 'program').

''(c) STATE RESPONSIBILITIES.—To be eligible for apportionments under this section—

''(1) a State may use apportionments received under this section for construction of new trails crossing Federal lands only if the construction is—

''(A) permissible under other law;

''(B) necessary and required by a statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) approved by the administering agency of the State designated under paragraph (2); and

''(D) approved by each Federal agency charged with management of the affected lands, which approval shall be contingent on compliance by the Federal agency with all applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.);

''(2) the Governor of a State shall designate the State agency or agencies that will be responsible for administering apportionments received under this section; and

''(3) the State shall establish within the State a State trail advisory committee that represents both motorized and nonmotorized trail users.

''(d) USE OF APPORTIONED FUNDS.—

''(1) IN GENERAL.—Funds made available under this section shall be obligated for trails and trail-related projects that—

''(A) have been planned and developed under the laws, policies, and administrative procedures of each State; and

''(B) are identified in, or further a specific goal of, a trail plan or trail plan element included or referenced in a metropolitan transportation plan required under section 134 or a statewide transportation plan required under section 135, consistent with the statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.).

''(2) PERMISSIBLE USES.—Permissible uses of funds made available under this section include—

''(A) maintenance and restoration of existing trails;

''(B) development and rehabilitation of trailside and trailhead facilities and trail linkages;

''(C) purchase and lease of trail construction and maintenance equipment;

''(D) construction of new trails;

''(E) acquisition of easements and fee simple title to property for trails or trail corridors;

''(F) payment of costs to the State incurred in administering the program, but in an amount not to exceed 7 percent of the apportionment received by the State for a fiscal year; and

''(G) operation of educational programs to promote safety and environmental protection as these objectives relate to the use of trails.

''(3) USE OF APPORTIONMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), and (D), of the apportionments received for a fiscal year by a State under this section—

''(i) 40 percent shall be used for trail or trail-related projects that facilitate diverse recreational trail use within a trail corridor, trailside, or trailhead, regardless of whether the project is for diverse motorized use, for diverse nonmotorized use, or to accommodate both motorized and nonmotorized recreational trail use;

''(ii) 30 percent shall be used for uses relating to motorized recreation; and

''(iii) 30 percent shall be used for uses relating to nonmotorized recreation.

''(B) SMALL STATE EXCLUSION.—Any State with a total land area of less than 3,500,000 acres, and in which nonhighway recreational fuel use accounts for less than 1 percent of all such fuel use in the United States, shall be exempted from the requirements of subparagraph (A) upon application to the Secretary by the State demonstrating that the State meets the conditions of this subparagraph.

''(C) WAIVER AUTHORITY.—Upon the request of a State trail advisory committee established under subsection (c)(3), the Secretary may waive, in whole or in part, the requirements of subparagraph (A) with respect to

the State if the State certifies to the Secretary that the State does not have sufficient projects to meet the requirements of subparagraph (A).

''(D) STATE ADMINISTRATIVE COSTS.—State administrative costs eligible for funding under paragraph (2)(F) shall be exempt from the requirements of subparagraph (A).

''(e) ENVIRONMENTAL BENEFIT OR MITIGATION.—To the extent practicable and consistent with the other requirements of this section, a State should give consideration to project proposals that provide for the redesign, reconstruction, nonroutine maintenance, or relocation of trails to benefit the natural environment or to mitigate and minimize the impact to the natural environment.

''(f) FEDERAL SHARE.—

''(1) IN GENERAL.—Subject to the other provisions of this subsection, the Federal share of the cost of a project under this section shall not exceed 80 percent.

''(2) FEDERAL AGENCY PROJECT SPONSOR.—Notwithstanding any other provision of law, a Federal agency that sponsors a project under this section may contribute additional Federal funds toward the cost of a project, except that—

''(A) the share attributable to the Secretary of Transportation may not exceed 80 percent; and

''(B) the share attributable to the Secretary and the Federal agency jointly may not exceed 95 percent.

''(3) USE OF FUNDS FROM FEDERAL PROGRAMS TO PROVIDE NON-FEDERAL SHARE.—Notwithstanding any other provision of law, amounts made available by the Federal Government under any Federal program that are—

''(A) expended in accordance with the requirements of the Federal program relating to activities funded and populations served; and

''(B) expended on a project that is eligible for assistance under this section;

may be credited toward the non-Federal share of the cost of the project.

''(4) PROGRAMMATIC NON-FEDERAL SHARE.—A State may allow adjustments to the non-Federal share of an individual project under this section if the Federal share of the cost of all projects carried out by the State under the program (excluding projects funded under paragraph (2) or (3)) using funds apportioned to the State for a fiscal year does not exceed 80 percent.

''(5) STATE ADMINISTRATIVE COSTS.—The Federal share of the administrative costs of a State under this subsection shall be determined in accordance with section 120(b).

''(g) USES NOT PERMITTED.—A State may not obligate funds apportioned under this section for—

''(1) condemnation of any kind of interest in property;

''(2) construction of any recreational trail on National Forest System land for any motorized use unless—

''(A) the land has been apportioned for uses other than wilderness by an approved forest land and resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved forest land and resource management plan;

''(3) construction of any recreational trail on Bureau of Land Management land for any motorized use unless the land—

''(A) has been apportioned for uses other than wilderness by an approved Bureau of Land Management resource management plan or has been released to uses other than wildernessK by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved management plan; or

''(4) upgrading, expanding, or otherwise facilitating motorized use or access to trails predominantly used by nonmotorized trail users and on which, as of May 1, 1991, motorized use is prohibited or has not occurred.

''(h) PROJECT ADMINISTRATION.—

''(1) CREDIT FOR DONATIONS OF FUNDS, MATERIALS, SERVICES, OR NEW RIGHT-OF-WAY.—

''(A) IN GENERAL.—Nothing in this title or other law shall prevent a project sponsor from offering to donate funds, materials, services, or a new right-of-way for the purposes of a project eligible for assistance under this section. Any funds, or the fair market value of any materials, services, or new right-of-way, may be donated by any project sponsor and shall be credited to the non-Federal share in accordance with subsection (f).

''(B) FEDERAL PROJECT SPONSORS.—Any funds or the fair market value of any materials or services may be provided by a Federal project sponsor and shall be credited to the Federal agency's share in accordance with subsection (f).

''(2) RECREATIONAL PURPOSE.—A project funded under this section is intended to enhance recreational opportunity and is not subject to section 138 of this title or section 303 of title 49.

''(3) CONTINUING RECREATIONAL USE.—At the option of each State, funds made available under this section may be treated as Land and Water Conservation Fund apportionments for the purposes of section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(f)(3)).

''(4) COOPERATION BY PRIVATE PERSONS.—

''(A) WRITTEN ASSURANCES.—As a condition of making available apportionments for work on recreational trails that would affect privately owned land, a State shall obtain written assurances that the owner of the land will cooperate with the State and participate as necessary in the activities to be conducted.

''(B) PUBLIC ACCESS.—Any use of the apportionments to a State under this section on privately owned land must be accompanied by an easement or other legally binding agreement that ensures public access to the recreational trail improvements funded by the apportionments.

''(i) APPORTIONMENT.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State that meets the requirements of subsection (c).

''(2) APPORTIONMENT.—Subject to subsection (j), for each fiscal year, the Secretary shall apportion—

''(A) 50 percent of the amounts made available to carry out this section equally among eligible States; and

''(B) 50 percent of the amounts made available to carry out this section among eligible States in proportion to the quantity of nonhighway recreational fuel used in each eligible State during the preceding year.

''(j) ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—Whenever an apportionment is made under subsection (i) of the amounts made available to carry out this section, the Secretary shall first deduct an amount, not to exceed 1 percent of the authorized amounts, to pay the costs to the Secretary for administration of, and research authorized under, the program.

''(2) USE OF CONTRACTS.—To carry out research funded under paragraph (1), the Secretary may—

''(A) enter into contracts with for-profit organizations; and

''(B) enter into contracts, partnerships, or cooperative agreements with other government agencies, institutions of higher learning, or nonprofit organizations.

''(k) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $17,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, $22,000,000 for fiscal year 2000, $23,000,000 for fiscal year 2001, $24,000,000 for fiscal year 2002, and $25,000,000 for fiscal year 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that the Federal share of the cost of a project under this section shall be determined in accordance with this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The Intermodal Surface Transportation Efficiency Act of 1991 is amended by striking part B of title I (16 U.S.C. 1261 et seq.).

(2) The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 206 and inserting the following:

''206. Recreational trails program.''.

SEC. 1108. VALUE PRICING PILOT PROGRAM.

(a) IN GENERAL.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in the subsection heading, by striking ''CONGESTION'' and inserting ''VALUE''; and

(2) in paragraph (1), by striking ''congestion'' each place it appears and inserting ''value''.

(b) INCREASED NUMBER OF PROJECTS.—Section 1012(b)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence by striking ''5'' and inserting ''15''.

(c) ELIGIBILITY OF PREIMPLEMENTATION COSTS.— Section 1012(b)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence—

(1) by inserting after ''Secretary shall fund'' the following: ''all preimplementation costs and project design, and''; and

(2) by inserting after ''Secretary may not fund'' the following: ''the implementation costs of''.

(d) TOLLING.—Section 1012(b)(4) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking ''a pilot program under this section, but not on more than 3 of such programs'' and inserting ''any value pricing pilot program under this subsection''.

(e) HOV PASSENGER REQUIREMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking paragraph (6) and inserting the following:

''(6) HOV PASSENGER REQUIREMENTS.—Notwithstanding section 146(c) of title 23, United States Code, a State may permit vehicles with fewer than 2 occupants to operate in high occupancy vehicle lanes if the vehicles are part of a value pricing pilot program under this subsection.''.

(f) FUNDING.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by adding at the end the following:

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $8,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY.—

''(i) IN GENERAL.—Funds allocated by the Secretary to a State under this subsection shall remain available for obligation by the State for a period of 3 years after the last day of the fiscal year for which the funds are authorized.

''(ii) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this subsection but not allocated exceeds $8,000,000 as of September 30 of any year, the excess amount—

''(I) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

''(II) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

''(III) shall be available for any purpose eligible for funding under section 133 of that title.

''(C) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection and the availability of funds authorized by this paragraph shall be determined in accordance with this subsection.''.

(g) CONFORMING AMENDMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in paragraph (1), by striking ''projects'' each place it appears and inserting ''programs''; and

(2) in paragraph (5)—

(A) by striking ''projects'' and inserting ''programs''; and

(B) by striking ''traffic, volume'' and inserting ''traffic volume''.

SEC. 1109. HIGHWAY USE TAX EVASION PROJECTS.

(a) IN GENERAL.—Section 143 of title 23, United States Code, is amended to read as follows:

''§ 143. Highway use tax evasion projects

''(a) DEFINITION OF STATE.—In this section, the term 'State' means the 50 States and the District of Columbia.

''(b) PROJECTS.—

''(1) IN GENERAL.—The Secretary shall use funds made available under paragraph (7) to carry out highway use tax evasion projects in accordance with this subsection.

''(2) ALLOCATION OF FUNDS.—The funds may be allocated to the Internal Revenue Service and the States at the discretion of the Secretary.

''(3) CONDITIONS ON FUNDS ALLOCATED TO INTERNAL REVENUE SERVICE.—The Secretary shall not impose any condition on the use of funds allocated to the Internal Revenue Service under this subsection.

''(4) LIMITATION ON USE OF FUNDS.—Funds made available under paragraph (7) shall be used only—

''(A) to expand efforts to enhance motor fuel tax enforcement;

''(B) to fund additional Internal Revenue Service staff, but only to carry out functions described in this paragraph;

''(C) to supplement motor fuel tax examinations and criminal investigations;

''(D) to develop automated data processing tools to monitor motor fuel production and sales;

''(E) to evaluate and implement registration and reporting requirements for motor fuel taxpayers;

''(F) to reimburse State expenses that supplement existing fuel tax compliance efforts; and

''(G) to analyze and implement programs to reduce tax evasion associated with other highway use taxes.

''(5) MAINTENANCE OF EFFORT.—The Secretary may not make an allocation to a State under this subsection for a fiscal year unless the State certifies that the aggregate expenditure of funds of the State, exclusive of Federal funds, for motor fuel tax enforcement activities will be maintained at a level that does not fall below the average level of such expenditure for the preceding 2 fiscal years of the State.

''(6) FEDERAL SHARE.—The Federal share of the cost of a project carried out under this subsection shall be 100 percent.

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $5,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY OF FUNDS.—Funds authorized under this paragraph shall remain available for obligation for a period of 1 year after the last day of the fiscal year for which the funds are authorized.

''(c) EXCISE FUEL REPORTING SYSTEM.—

''(1) IN GENERAL.—Not later than April 1, 1998, the Secretary shall enter into a memorandum of understanding with the Commissioner of the Internal Revenue Service for the purposes of the development and maintenance by the Internal Revenue Service of an excise fuel reporting system (referred to in this subsection as the 'system').

''(2) ELEMENTS OF MEMORANDUM OF UNDERSTANDING.—The memorandum of understanding shall provide that—

''(A) the Internal Revenue Service shall develop and maintain the system through contracts;

''(B) the system shall be under the control of the Internal Revenue Service; and

''(C) the system shall be made available for use by appropriate State and Federal revenue, tax, or law enforcement authorities, subject to section 6103 of the Internal Revenue Code of 1986.

''(3) AUTHORIZATION OF APPROPRIATIONS FROM HIGHWAY TRUST FUND.—There are authorized to be appropriated to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection—

''(A) $8,000,000 for development of the system; and

''(B) $2,000,000 for each of fiscal years 1998 through 2003 for operation and maintenance of the system.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 143 and inserting the following:

''143. Highway use tax evasion projects.''.

(2) Section 1040 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1992) is repealed.

(3) Section 8002 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 2203) is amended—

(A) in the first sentence of subsection (g), by striking ''section 1040 of this Act'' and inserting ''section 143 of title 23, United States Code,''; and

(B) by striking subsection (h).

SEC. 1110. BICYCLE TRANSPORTATION AND PEDESTRIAN WALKWAYS.

Section 217 of title 23, United States Code, is amended—

(1) in subsection (b)—

(A) by inserting ''pedestrian walkways and'' after ''construction of''; and

(B) by striking ''(other than the Interstate System)'';

(2) in subsection (e), by striking '', other than a highway access to which is fully controlled,'';

(3) by striking subsection (g) and inserting the following:

''(g) PLANNING AND DESIGN.—

''(1) IN GENERAL.—Bicyclists and pedestrians shall be given consideration in the comprehensive transportation plans developed by each metropolitan planning organization and State in accordance with sections 134 and 135, respectively.

''(2) CONSTRUCTION.—Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation facilities, except where bicycle and pedestrian use are not permitted.

''(3) SAFETY AND CONTIGUOUS ROUTES.—Transportation plans and projects shall provide consideration for safety and contiguous routes for bicyclists and pedestrians.'';

(4) in subsection (h)—

(A) by striking ''No motorized vehicles shall'' and inserting ''Motorized vehicles may not''; and

(B) by striking paragraph (3) and inserting the following:

''(3) wheelchairs that are powered; and''; and

(5) by striking subsection (j) and inserting the following:

''(j) DEFINITIONS.—In this section:

''(1) BICYCLE TRANSPORTATION FACILITY.—The term 'bicycle transportation facility' means a new or improved lane, path, or shoulder for use by bicyclists or a traffic control device, shelter, or parking facility for bicycles.

''(2) PEDESTRIAN.—The term 'pedestrian' means any person traveling by foot or any mobility impaired person using a wheelchair.

''(3) WHEELCHAIR.—The term 'wheelchair' means a mobility aid, usable indoors, and designed for and used by individuals with mobility impairments, whether operated manually or powered.''.

SEC. 1111. DISADVANTAGED BUSINESS ENTERPRISES.

(a) GENERAL RULE.—Except to the extent that the Secretary determines otherwise, not less than 10 percent of the amounts made available for any program under titles I and II of this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

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

(1) SMALL BUSINESS CONCERN.—The term ''small business concern'' has the meaning such term has under section 3 of the Small Business Act (15 U.S.C. 632); except that such term shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has average annual gross receipts over the preceding 3 fiscal years in excess of $16,600,000, as adjusted by the Secretary for inflation.

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term ''socially and economically disadvantaged individuals'' has the meaning such term has under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto; except that women shall be presumed to be socially and economically disadvantaged individuals for purposes of this section.

(c) ANNUAL LISTING OF DISADVANTAGED BUSINESS ENTERPRISES.—Each State shall annually survey and compile a list of the small business concerns referred to in subsection (a) and the location of such concerns in the State and notify the Secretary, in writing, of the percentage of such concerns

which are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are women and are otherwise socially and economically disadvantaged individuals.

(d) UNIFORM CERTIFICATION.—The Secretary shall establish minimum uniform criteria for State governments to use in certifying whether a concern qualifies for purposes of this section. Such minimum uniform criteria shall include but not be limited to on-site visits, personal interviews, licenses, analysis of stock ownership, listing of equipment, analysis of bonding capacity, listing of work completed, resume of principal owners, financial capacity, and type of work preferred.

SEC. 1112. FEDERAL SHARE PAYABLE.

Section 120 of title 23, United States Code (as amended by section 1106(a)), is amended—

(1) in each of subsections (a) and (b), by adding at the end the following: ''In the case of any project subject to this subsection, a State may determine a lower Federal share than the Federal share determined under the preceding sentences of this subsection.''; and

(2) by adding at the end the following:

''(1) CREDIT FOR NON-FEDERAL SHARE.—

''(1) ELIGIBILITY.—A State may use as a credit toward the non-Federal share requirement for any program under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) or this title, other than the emergency relief program authorized by section 125, toll revenues that are generated and used by public, quasi-public, and private agencies to build, improve, or maintain, without the use of Federal funds, highways, bridges, or tunnels that serve the public purpose of interstate commerce.

''(2) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—The credit toward any non-Federal share under paragraph (1) shall not reduce nor replace State funds required to match Federal funds for any program under this title.

''(B) CONDITIONS ON RECEIPT OF CREDIT.—

''(i) AGREEMENT WITH THE SECRETARY.—To receive a credit under paragraph (1) for a fiscal year, a State shall enter into such agreements as the Secretary may require to ensure that the State will maintain its non-Federal transportation capital expenditures at or above the average level of such expenditures for the preceding 3 fiscal years.

''(ii) EXCEPTION.—Notwithstanding clause (i), a State may receive a credit under paragraph (1) for a fiscal year if, for any 1 of the preceding 3 fiscal years, the non-Federal transportation capital expenditures of the State were at a level that was greater than 30 percent of the average level of such expenditures for the other 2 of the preceding 3 fiscal years.

''(3) TREATMENT.—

''(A) IN GENERAL.—Use of the credit toward a non-Federal share under paragraph (1) shall not expose the agencies from which the credit is received to additional liability, additional regulation, or additional administrative oversight.

''(B) CHARTERED MULTISTATE AGENCIES.—When credit is applied from a chartered multistate agency under paragraph (1), the credit shall be applied equally to all charter States.

''(C) NO ADDITIONAL STANDARDS.—A public, quasi-public, or private agency from which the credit for which the non-Federal share is calculated under paragraph (1) shall not be subject to any additional Federal design standards or laws (including regulations) as a result of providing the credit beyond the standards and laws to which the agency is already subject.''.

SEC. 1113. STUDIES AND REPORTS.

(a) HIGHWAY ECONOMIC REQUIREMENT SYSTEM.—

(1) METHODOLOGY.—

(A) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the methodology used by the Department of Transportation to determine highway needs using the highway economic requirement system (referred to in this subsection as the ''model'').

(B) REQUIRED ELEMENT.—The evaluation shall include an assessment of the extent to which the model estimates an optimal level of highway infrastructure investment, including an assessment as to when the model may be overestimating or underestimating investment requirements.

(C) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the evaluation.

(2) STATE INVESTMENT PLANS.—

(A) STUDY.—In consultation with State transportation departments and other appropriate State and local officials, the Comptroller General of the United States shall conduct a study on the extent to which the highway economic requirement system of the Federal Highway Administration can be used to provide States with useful information for developing State transportation investment plans and State infrastructure investment projections.

(B) REQUIRED ELEMENTS.—The study shall—

(i) identify any additional data that may need to be collected beyond the data submitted, prior to the date of enactment of this Act, to the Federal Highway Administration through the highway performance monitoring system; and

(ii) identify what additional work, if any, would be required of the Federal Highway Administration and the States to make the model useful at the State level.

(C) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(b) INTERNATIONAL ROUGHNESS INDEX.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the international roughness index that is used as an indicator of pavement quality on the Federal-aid highway system.

(2) REQUIRED ELEMENTS.—The study shall specify the extent of usage of the index and the extent to which the international roughness index measurement is reliable across different manufacturers and types of pavement.

(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(c) REPORTING OF RATES OF OBLIGATION.—Section 104 of title 23, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (m); and

(2) by inserting after subsection (i) the following:

''(j) REPORTING OF RATES OF OBLIGATION.—On an annual basis, the Secretary shall publish or otherwise report rates of obligation of funds apportioned or set aside under this section and sections 103 and 133 according to—

''(1) program;

''(2) funding category or subcategory;

''(3) type of improvement;

''(4) State; and

''(5) sub-State geographic area, including urbanized and rural areas, on the basis of the population of each such area.''.

SEC. 1114. DEFINITIONS.

(a) FEDERAL-AID HIGHWAY FUNDS AND PROGRAM.—

(1) IN GENERAL.—Section 101(a) of title 23, United States Code, is amended by inserting before the undesignated paragraph defining ''Federal-aid highways'' the following:

''The term 'Federal-aid highway funds' means funds made available to carry out the Federal-aid highway program.

''The term 'Federal-aid highway program' means all programs authorized under chapters 1, 3, and 5.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(d) of title 23, United States Code, is amended by striking ''the construction of Federal-aid highways or highway planning, research, or development'' and inserting ''the Federal-aid highway program''.

(B) Section 104(m)(1) of title 23, United States Code (as redesignated by section 1113(c)(1)), is amended by striking ''Federal-aid highways and the highway safety construction programs'' and inserting ''the Federal-aid highway program''.

(C) Section 107(b) of title 23, United States Code, is amended in the second sentence by striking ''Federal-aid highways'' and inserting ''the Federal-aid highway program''.

(b) ALPHABETIZATION OF DEFINITIONS.—Section 101(a) of title 23, United States Code, is amended by reordering the undesignated paragraphs so that they are in alphabetical order.

SEC. 1115. COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code (as amended by section 1107(a)), is amended by inserting after section 206 the following:

''§ 207. Cooperative Federal Lands Transportation Program

''(a) IN GENERAL.—There is established the Cooperative Federal Lands Transportation Program (referred to in this section as the 'program'). Funds available for the program may be used for projects, or portions of projects, on highways that are owned or maintained by States or political subdivisions of States and that cross, are adjacent to, or lead to federally owned land or Indian reservations (including Army Corps of Engineers reservoirs), as determined by the State. Such projects shall be proposed by a State and selected by the Secretary. A project proposed by a State under this section shall be on a highway or bridge owned or maintained by the State, or 1 or more political subdivisions of the State, and may be a highway or bridge construction or maintenance project eligible under this title or any project of a type described in section 204(h).

''(b) DISTRIBUTION OF FUNDS FOR PROJECTS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The Secretary—

''(i) after consultation with the Administrator of General Services, the Secretary of the Interior, and other agencies as appropriate (including the Army Corps of Engineers), shall determine the percentage of the total land in each State that is owned by the Federal Government or that is held by the Federal Government in trust;

''(ii) shall determine the sum of the percentages determined under clause (i) for States with respect to which the percentage is 4.5 or greater; and

''(iii) shall determine for each State included in the determination under clause (ii) the percentage obtained by dividing—

''(I) the percentage for the State determined under clause (i); by

''(II) the sum determined under clause (ii).

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A)(iii) that is greater than 7.5 percent to 7.5 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i)

among other States included in the determination under subparagraph (A)(ii) in proportion to the percentages for those States determined under subparagraph (A)(iii).

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall make funds available to carry out eligible projects in a State in an amount equal to the amount obtained by multiplying—

''(A) the percentage for the State, if any, determined under paragraph (1); by

''(B) the funds made available for the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline may not be earlier than January 1, 1998. For each fiscal year, if a State does not have pending, by that deadline, applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(c) TRANSFERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a State and the Secretary may agree to transfer amounts made available to a State under this section to the allocations of the State under section 202 for use in carrying out projects on any Federal lands highway that is located in the State.

''(2) SPECIAL RULE.—This paragraph applies to a State that contains a national park that was visited by more than 2,500,000 people in 1996 and comprises more than 3,000 square miles of land area, including surface water, that is located in the State. For such a State, 50 percent of the amount that would otherwise be made available to the State for each fiscal year under the program shall be made available only for eligible highway uses in the national park and within the borders of the State. For the purpose of making allocations under section 202(c), the Secretary may not take into account the past or future availability, for use on park roads and parkways in a national park, of funds made available for use in a national park by this paragraph.I20 ''(d) RIGHTS-OF-WAY ACROSS FEDERAL LAND.—Nothing in this section affects any claim for a right-of-way across Federal land.

''(e) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $74,000,000 for each of fiscal years 1998 through 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 207 and inserting the following:

''207. Cooperative Federal Lands Transportation Program.''.

SEC. 1116. TRADE CORRIDOR AND BORDER CROSSING PLANNING AND BORDER INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) BORDER REGION.—The term ''border region'' means—

(A) the region located within 60 miles of the United States border with Mexico; and

(B) the region located within 60 miles of the United States border with Canada.

(2) BORDER STATE.—The term ''border State'' means a State of the United States that—

(A) is located along the border with Mexico; or

(B) is located along the border with Canada.

(3) BORDER STATION.—The term ''border station'' means a controlled port of entry into the United States located in the United States at the border with Mexico or Canada, consisting of land occupied by the station and the buildings, roadways, and parking lots on the land.

(4) FEDERAL INSPECTION AGENCY.—The term ''Federal inspection agency'' means a Federal agency responsible for the enforcement of immigration laws (including regulations), customs laws (including regulations), and agriculture import restrictions, including the United States Customs Service, the Immigration and Naturalization Service, the Animal and Plant Health Inspection Service, the Food and Drug Administration, the United States Fish and Wildlife Service, and the Department of State.

(5) GATEWAY.—The term ''gateway'' means a grouping of border stations defined by proximity and similarity of trade.

(6) NON-FEDERAL GOVERNMENTAL JURISDICTION.—The term ''non-Federal governmental jurisdiction'' means a regional, State, or local authority involved in the planning, development, provision, or funding of transportation infrastructure needs.

(b) BORDER CROSSING PLANNING INCENTIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall make incentive grants to States and to metropolitan planning organizations designated under section 134 of title 23, United States Code.

(2) USE OF GRANTS.—The grants shall be used to encourage joint transportation planning activities and to improve people and vehicle movement into and through international gateways as a supplement to statewide and metropolitan transportation planning funding made available under other provisions of this Act and under title 23, United States Code.

(3) CONDITION OF GRANTS.—As a condition of receiving a grant under paragraph (1), a State transportation department or a metropolitan planning organization shall certify to the Secretary that it commits to be engaged in joint planning with its counterpart agency in Mexico or Canada.

(4) LIMITATION ON AMOUNT.—Each State transportation department or metropolitan planning organization may receive not more than $100,000 under this subsection for any fiscal year.

(5) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $1,400,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(c) TRADE CORRIDOR PLANNING INCENTIVE GRANTS.—

(1) GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States to encourage, within the framework of the statewide transportation planning process of the State under section 135 of title 23, United States Code, cooperative multistate corridor analysis of, and planning for, the safe and efficient movement of goods along and within international or interstate trade corridors of national importance.

(B) IDENTIFICATION OF CORRIDORS.—Each corridor referred to in subparagraph (A) shall be cooperatively identified by the States along the corridor.

(2) CORRIDOR PLANS.—

(A) IN GENERAL.—As a condition of receiving a grant under paragraph (1), a State shall enter into an agreement with the Secretary that specifies that, in cooperation with the other States along the corridor, the State will submit a plan for corridor improvements to the Secretary not later than 2 years after receipt of the grant.

(B) COORDINATION OF PLANNING.—Planning with respect to a corridor under this subsection shall be coordinated with transportation planning being carried out by the States and metropolitan planning organizations along the corridor and, to the extent appropriate, with transportation planning being carried out by Federal land management agencies, by tribal governments, or by government agencies in Mexico or Canada.

(3) MULTISTATE AGREEMENTS FOR TRADE CORRIDOR PLANNING.—The consent of Congress is granted to any 2 or more States—

(A) to enter into multistate agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of interstate trade corridor planning activities; and

(B) to establish such agencies, joint or otherwise, as the States may determine desirable to make the agreements effective.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $3,000,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(d) FEDERAL ASSISTANCE FOR TRADE CORRIDORS AND BORDER INFRASTRUCTURE SAFETY AND CONGESTION RELIEF.—

(1) APPLICATIONS FOR GRANTS.—The Secretary shall make grants to States or metropolitan planning organizations that submit an application that—

(A) demonstrates need for assistance in carrying out transportation projects that are necessary to relieve traffic congestion or improve enforcement of motor carrier safety laws; and

(B) includes strategies to involve both the public and private sectors in the proposed project.

(2) SELECTION OF STATES, METROPOLITAN PLANNING ORGANIZATIONS, AND PROJECTS TO RECEIVE GRANTS.—In selecting States, metropolitan planning organizations, and projects to receive grants under this subsection, the Secretary shall consider—

(A) the annual volume of commercial vehicle traffic at the border stations or ports of entry of each State as compared to the annual volume of commercial vehicle traffic at the border stations or ports of entry of all States;

(B) the extent to which commercial vehicle traffic in each State has grown since the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182) as compared to the extent to which that traffic has grown in each other State;

(C) the extent of border transportation improvements carried out by each State since the date of enactment of that Act;

(D) the reduction in commercial and other travel time through a major international gateway expected as a result of the project;

(E) the extent of leveraging of Federal funds provided under this subsection, including—

(i) use of innovative financing;

(ii) combination with funding provided under other sections of this Act and title 23, United States Code; and

(iii) combination with other sources of Federal, State, local, or private funding;

(F) improvements in vehicle and highway safety and cargo security in and through the gateway concerned;

(G) the degree of demonstrated coordination with Federal inspection agencies;

(H) the extent to which the innovative and problem solving techniques of the proposed project would be applicable to other border stations or ports of entry;

(I) demonstrated local commitment to implement and sustain continuing comprehensive border planning processes and improvement programs; and

(J) other factors to promote transport efficiency and safety, as determined by the Secretary.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A grant under this subsection shall be used to develop project plans, and implement coordinated and comprehensive programs of projects, to improve efficiency and safety.

(B) TYPE OF PLANS AND PROGRAMS.—The plans and programs may include—

(i) improvements to transport and supporting infrastructure;

(ii) improvements in operational strategies, including electronic data interchange and use of telecommunications to expedite vehicle and cargo movement;

(iii) modifications to regulatory procedures to expedite vehicle and cargo flow;

(iv) new infrastructure construction;

(v) purchase, installation, and maintenance of weigh-in-motion devices and associated electronic equipment in Mexico or Canada if real time data from the devices is provided to the nearest border station and to State commercial vehicle enforcement facilities that serve the border station; and

(vi) other institutional improvements, such as coordination of binational planning, programming, and border operation, with special emphasis on coordination with—

(I) Federal inspection agencies; and

(II) their counterpart agencies in Mexico and Canada.

(4) CONSTRUCTION OF TRANSPORTATION INFRASTRUCTURE FOR LAW ENFORCEMENT PURPOSES.—At the request of the Administrator of General Services, in consultation with the Attorney General, the Secretary may transfer, during the period of fiscal years 1998 through 2001, not more than $10,000,000 of the amounts made available under paragraph (5) to the Administrator of General Services for the construction of transportation infrastructure necessary for law enforcement in border States.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $125,000,000 for each of fiscal years 1998 through 2003.

(e) COORDINATION OF PLANNING.—

(1) PLANNING AND DEVELOPMENT OF BORDER STATIONS.—The General Services Administration shall be the coordinating Federal agency in the planning and development of new or expanded border stations.

(2) COOPERATIVE ACTIVITIES.—In carrying out paragraph (1), the Administrator of General Services shall cooperate with Federal inspection agencies and non-Federal governmental jurisdictions to ensure that—

(A) improvements to border station facilities take into account regional and local conditions, including the alignment of highway systems and connecting roadways; and

(B) all facility requirements, associated costs, and economic impacts are identified.

(f) COST SHARING.—A grant under this section shall be used to pay the Federal share of the cost of a project. The Federal share shall not exceed 80 percent.

(g) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this section but not allocated exceeds $4,000,000 as of September 30 of any year, the excess amount—

(1) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

(2) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

(3) shall be available for any purpose eligible for funding under section 133 of that title.

SEC. 1117. APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

(a) AVAILABILITY, RELEASE, AND REALLOCATION OF FUNDS.—Section 201(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the second sentence, by inserting before the period at the end the following: ", except that each allocation to a State shall remain available for expenditure in the State for the fiscal year in which the allocation is allocated and for the 3 following fiscal years"; and

(2) by inserting after the second sentence the following: "Funds authorized under this section for fiscal year 1998 or a fiscal year thereafter, and not expended by a State during the 4 fiscal years referred to in the preceding sentence, shall be released to the Commission for reallocation and shall remain available until expended.".

(b) SUBSTITUTE CORRIDOR.—Section 201(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking "(b) The Commission" and inserting the following:

"(b) DESIGNATIONS.—

"(1) IN GENERAL.—The Commission"; and

(3) by adding at the end the following:

"(2) SUBSTITUTE CORRIDOR.—In lieu of Corridor H in Virginia, the Appalachian development highway system shall include the Virginia portion of the segment identified in section 1105(c)(29) of the Intermodal Surface Transportation Efficiency Act of 1991 (109 Stat. 597).".

(c) FEDERAL SHARE FOR PREFINANCED PROJECTS.—Section 201(h)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking "70 per centum" and inserting "80 percent".

(d) AUTHORIZATION OF CONTRACT AUTHORITY.—Section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking subsection (g) and inserting the following:

"(g) AUTHORIZATION OF CONTRACT AUTHORITY.—

"(1) IN GENERAL.—

"(A) FISCAL YEARS 1998 THROUGH 2003.—For the continued construction of the Appalachian development highway system approved as of September 30, 1996, in accordance with this section, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) $40,000,000 for each of fiscal years 1998 through 2000, $50,000,000 for fiscal year 2001, $60,000,000 for fiscal year 2002, and $70,000,000 for fiscal year 2003.

"(B) OBLIGATION AUTHORITY.—The Secretary shall provide equivalent amounts of obligation authority for the funds authorized under subparagraph (A).

"(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share shall be determined in accordance with this section and the funds shall remain available in accordance with subsection (a).".

SEC. 1118. INTERSTATE 4R AND BRIDGE DISCRETIONARY PROGRAM.

(a) IN GENERAL.—Section 104 of title 23, United States Code (as amended by section 1113(c)(1)), is amended by inserting after subsection (j) the following:

"(k) SET-ASIDE FOR INTERSTATE 4R AND BRIDGE PROJECTS.—

"(1) IN GENERAL.—For each of fiscal years 1998 through 2003, before any apportionment is made under subsection (b)(1), the Secretary shall set aside $70,000,000 from amounts to be apportioned under subsection (b)(1)(A), and $70,000,000 from amounts to be apportioned under subsection (b)(1)(B), for allocation by the Secretary—

"(A) for projects for resurfacing, restoring, rehabilitating, or reconstructing any route or portion of a route on the Interstate System (other than any highway designated as a part of the Interstate System under section 103(c)(4) and any toll road on the Interstate System that is not subject to an agreement under section 119(e) (as in effect on December 17, 1991) or an agreement under section 129(a));

"(B) for projects for a highway bridge the replacement, rehabilitation, or seismic retrofit cost of which is more than $10,000,000; and

"(C) for projects for a highway bridge the replacement, rehabilitation, or seismic retrofit cost of which is less than $10,000,000 if the cost is at least twice the amount reserved under section 144(c) by the State in which the bridge is located for the fiscal year in which application is made for an allocation for the bridge under this subsection.

"(2) REQUIRED ALLOCATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), for each of fiscal years 1998 through 2003, the Secretary shall allocate on October 1, for use for highway bridge projects, at least $20,000,000 of the amounts set aside under paragraph (1) to any State that—

"(i) is apportioned for fiscal year 1998 under paragraphs (1)(B), (1)(C)(i)(III), and (3)(A)(iii) of subsection (b) an amount that is less than the amount apportioned to the State for the highway bridge replacement and rehabilitation program under section 144 for fiscal year 1997; and

"(ii) was apportioned for that program for fiscal year 1997 an amount greater than $125,000,000.

"(B) EXCEPTION.—A State that transferred funds from the highway bridge replacement and rehabilitation program during any of fiscal years 1995 through 1997 in an amount greater than 10 percent of the apportionments for that program for the fiscal year shall not be eligible for an allocation under subparagraph (A).

"(C) ADDITIONAL ALLOCATION.—An allocation to a State under subparagraph (A) shall be in addition to any allocation to the State under paragraph (1).

"(3) AVAILABILITY TO STATES OF INTERSTATE 4R FUNDS.—The Secretary may grant the application of a State for funds made available for a fiscal year for a project described in paragraph (1)(A) if the Secretary determines that—

"(A) the State has obligated or demonstrates that it will obligate for the fiscal year all of the apportionments to the State

under subparagraphs (A) and (B) of subsection (b)(1) other than an amount that, by itself, is insufficient to pay the Federal share of the cost of a project described in paragraph (1)(A) that has been submitted by the State to the Secretary for approval; and

''(B) the State is willing and able to—

''(i) obligate the funds within 1 year after the date on which the funds are made available;

''(ii) apply the funds to a project that is ready to be commenced; and

''(iii) in the case of construction work, begin work within 90 days after the date of obligation of the funds.

''(4) ELIGIBILITY OF CERTAIN BRIDGES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, any bridge that is owned and operated by an agency that does not have taxing powers and whose functions include operating a federally assisted public transit system subsidized by toll revenues shall be eligible for assistance under this subsection.

''(B) LIMITATION.—The amount of assistance under subparagraph (A) shall not exceed the cumulative amount that the agency has expended for capital and operating costs to subsidize the transit system.

''(C) DETERMINATION BY THE SECRETARY.—Before authorizing an expenditure of funds under this paragraph, the Secretary shall make a determination that the applicant agency has insufficient reserves, surpluses, and projected revenues (over and above those required for bridge and transit capital and operating costs) to fund the necessary bridge replacement, seismic retrofitting, or rehabilitation project.

''(D) CREDITING OF NON-FEDERAL FUNDS.—Any non-Federal funds expended for the seismic retrofit of the bridge may be credited toward the non-Federal share required as a condition of receipt of any Federal funds for seismic retrofit of the bridge made available after the date of expenditure.

''(5) PERIOD OF AVAILABILITY OF DISCRETIONARY FUNDS.—Amounts made available under this subsection shall remain available until expended.''.

(b) CONFORMING AMENDMENT.—Section 118 of title 23, United States Code, is amended by striking subsection (c).

SEC. 1119. MAGNETIC LEVITATION TRANSPORTATION TECHNOLOGY DEPLOYMENT PROGRAM.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended by inserting after section 321 the following:

''§ 322. Magnetic levitation transportation technology deployment program

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE PROJECT COSTS.—The term 'eligible project costs' means the capital cost of the fixed guideway infrastructure of a MAGLEV project, including land, piers, guideways, propulsion equipment and other components attached to guideways, power distribution facilities (including substations), control and communications facilities, access roads, and storage, repair, and maintenance facilities, but not including costs incurred for a new station.

''(2) FULL PROJECT COSTS.—The term 'full project costs' means the total capital costs of a MAGLEV project, including eligible project costs and the costs of stations, vehicles, and equipment.

''(3) MAGLEV.—The term 'MAGLEV' means transportation systems employing magnetic levitation that would be capable of safe use by the public at a speed in excess of 240 miles per hour.

''(4) PARTNERSHIP POTENTIAL.—The term 'partnership potential' has the meaning given the term in the commercial feasibility study of high-speed ground transportation conducted under section 1036 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 1978).

''(b) ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall make available financial assistance to provide the Federal share of full project costs of eligible projects selected under this section.

''(2) FEDERAL SHARE.—The Federal share of full project costs under paragraph (1) shall be not more than ⅔.

''(3) USE OF ASSISTANCE.—Financial assistance provided under paragraph (1) shall be used only to pay eligible project costs of projects selected under this section.

''(c) SOLICITATION OF APPLICATIONS FOR ASSISTANCE.—Not later than 180 days after the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997, the Secretary shall solicit applications from States, or authorities designated by 1 or more States, for financial assistance authorized by subsection (b) for planning, design, and construction of eligible MAGLEV projects.

''(d) PROJECT ELIGIBILITY.—To be eligible to receive financial assistance under subsection (b), a project shall—

''(1) involve a segment or segments of a high-speed ground transportation corridor that exhibit partnership potential;

''(2) require an amount of Federal funds for project financing that will not exceed the sum of—

''(A) the amounts made available under subsection (h)(1)(A); and

''(B) the amounts made available by States under subsection (h)(4);

''(3) result in an operating transportation facility that provides a revenue producing service;

''(4) be undertaken through a public and private partnership, with at least ⅓ of full project costs paid using non-Federal funds;

''(5) satisfy applicable statewide and metropolitan planning requirements;

''(6) be approved by the Secretary based on an application submitted to the Secretary by a State or authority designated by 1 or more States;

''(7) to the extent that non-United States MAGLEV technology is used within the United States, be carried out as a technology transfer project; and

''(8) be carried out using materials at least 70 percent of which are manufactured in the United States.

''(e) PROJECT SELECTION CRITERIA.—Prior to soliciting applications, the Secretary shall establish criteria for selecting which eligible projects under subsection (d) will receive financial assistance under subsection (b). The criteria shall include the extent to which—

''(1) a project is nationally significant, including the extent to which the project will demonstrate the feasibility of deployment of MAGLEV technology throughout the United States;

''(2) timely implementation of the project will reduce congestion in other modes of transportation and reduce the need for additional highway or airport construction;

''(3) States, regions, and localities financially contribute to the project;

''(4) implementation of the project will create new jobs in traditional and emerging industries;

''(5) the project will augment MAGLEV networks identified as having partnership potential;

''(6) financial assistance would foster public and private partnerships for infrastructure development and attract private debt or equity investment;

''(7) financial assistance would foster the timely implementation of a project; and

''(8) life-cycle costs in design and engineering are considered and enhanced.

''(f) PROJECT SELECTION.—Not later than 90 days after a deadline established by the Secretary for the receipt of applications, the Secretary shall evaluate the eligible projects in accordance with the selection criteria and select 1 eligible project for financial assistance.

''(g) JOINT VENTURES.—A project undertaken by a joint venture of United States and non-United States persons (including a project involving the deployment of non-United States MAGLEV technology in the United States) shall be eligible for financial assistance under this section if the project is eligible under subsection (d) and selected under subsection (f).

''(h) FUNDING.—

''(1) IN GENERAL.—

''(A) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $10,000,000 for fiscal year 1999 and $20,000,000 for fiscal year 2000.

''(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that—

''(I) the Federal share of the cost of a project carried out under this section shall be determined in accordance with subsection (b); and

''(II) the availability of the funds shall be determined in accordance with paragraph (2).

''(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $200,000,000 for each of fiscal years 2000 and 2001, $250,000,000 for fiscal year 2002, and $300,000,000 for fiscal year 2003.

''(2) AVAILABILITY OF FUNDS.—Funds made available under paragraph (1) shall remain available until expended.

''(3) OTHER FEDERAL FUNDS.—Notwithstanding any other provision of law, funds made available to a State to carry out the surface transportation program under section 133 and the congestion mitigation and air quality improvement program under section 149 may be used by the State to pay a portion of the full project costs of an eligible project selected under this section, without requirement for non-Federal funds.

''(4) OTHER ASSISTANCE.—Notwithstanding any other provision of law, an eligible project selected under this section shall be eligible for other forms of financial assistance provided under this title and the Transportation Infrastructure Finance and Innovation Act of 1997, including loans, loan guarantees, and lines of credit.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 3 of title 23, United States Code, is amended by inserting after the item relating to section 321 the following:

''322. Magnetic levitation transportation technology deployment program.''.

SEC. 1120. WOODROW WILSON MEMORIAL BRIDGE.

(a) DEFINITIONS.—Section 404 of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 628) is amended—

(1) in paragraph (3), by striking '', including approaches thereto''; and

(2) in paragraph (5), by striking ''to be determined under section 407. Such'' and all that follows and inserting the following: ''as described in the record of decision executed by the Secretary in compliance with the National Environmental Policy Act of 1969 (42

U.S.C. 4321 et seq.). The term includes ongoing short-term rehabilitation and repairs to the Bridge.''.

(b) OWNERSHIP OF BRIDGE.—

(1) CONVEYANCE BY THE SECRETARY.—Section 407(a)(1) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 630) is amended by inserting ''or any Capital Region jurisdiction'' after ''Authority'' each place it appears.

(2) AGREEMENT.—Section 407 of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 630) is amended by striking subsection (c) and inserting the following:

''(c) AGREEMENT.—

''(1) IN GENERAL.—The agreement referred to in subsection (a) is an agreement concerning the Project that is executed by the Secretary and the Authority or any Capital Region jurisdiction that accepts ownership of the Bridge.

''(2) TERMS OF THE AGREEMENT.—The agreement shall—

''(A) identify whether the Authority or a Capital Region jurisdiction will accept ownership of the Bridge;

''(B) contain a financial plan satisfactory to the Secretary, which shall be prepared before the execution of the agreement, that specifies—

''(i) the total cost of the Project, including any cost-saving measures;

''(ii) a schedule for implementation of the Project, including whether any expedited design and construction techniques will be used; and

''(iii) the sources of funding that will be used to cover any costs of the Project not funded from funds made available under section 412; and

''(C) contain such other terms and conditions as the Secretary determines to be appropriate.''.

(c) FEDERAL CONTRIBUTION.—The Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 627) is amended by adding at the end the following:

''SEC. 412. FEDERAL CONTRIBUTION.

''(a) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) $100,000,000 for fiscal year 1998, $100,000,000 for fiscal year 1999, $125,000,000 for fiscal year 2000, $175,000,000 for fiscal year 2001, $200,000,000 for fiscal year 2002, and $200,000,000 for fiscal year 2003, to pay the costs of planning, preliminary engineering and design, final engineering, acquisition of rights-of-way, and construction of the Project, except that the costs associated with the Bridge shall be given priority over other eligible costs, other than design costs, of the Project.

''(2) CONTRACT AUTHORITY.—Funds authorized under this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that—

''(A) the funds shall remain available until expended;

''(B) the Federal share of the cost of the Bridge component of the Project shall not exceed 100 percent; and

''(C) the Federal share of the cost of any other component of the Project shall not exceed 80 percent.

''(b) USE OF APPORTIONED FUNDS.—Nothing in this title limits the authority of any Capital Region jurisdiction to use funds apportioned to the jurisdiction under paragraph (1) or (3) of section 104(b) of title 23, United States Code, in accordance with the requirements for such funds, to pay any costs of the Project.

''(c) AVAILABILITY OF APPORTIONED FUNDS.—None of the funds made available under this section shall be available before the execution of the agreement described in section 407(c), except that the Secretary may fund the maintenance and rehabilitation of the Bridge and the design of the Project.''.

(d) CONFORMING AMENDMENT.—Section 405(b)(1) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 629) is amended by striking ''the Signatories as to the Federal share of the cost of the Project and the terms and conditions related to the timing of the transfer of the Bridge to''.

SEC. 1121. NATIONAL HIGHWAY SYSTEM COMPONENTS.

The National Highway System consists of the routes and transportation facilities depicted on the map submitted by the Secretary to Congress with the report entitled ''Pulling Together: The National Highway System and its Connections to Major Intermodal Terminals'' and dated May 24, 1996.

SEC. 1122. HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION.

(a) IN GENERAL.—Section 144 of title 23, United States Code, is amended—

(1) in the section heading, by striking ''**program**'';

(2) by striking subsections (a) through (n), (p), and (q);

(3) by inserting after the section heading the following:

''(a) DEFINITION OF REHABILITATE.—In this section, the term 'rehabilitate' (in any of its forms), with respect to a bridge, means to carry out major work necessary—

''(1) to address the structural deficiencies, functional obsolescence, or physical deterioration of the bridge; or

''(2) to correct a major safety defect of the bridge, including seismic retrofitting.

''(b) BRIDGE INVENTORY.—

''(1) IN GENERAL.—In consultation with the States, the Secretary shall—

''(A) annually inventory all highway bridges on public roads that cross waterways, other topographical barriers, other highways, and railroads;

''(B) classify each such bridge according to serviceability, safety, and essentiality for public use; and

''(C) assign each such bridge a priority for replacement or rehabilitation based on the classification under subparagraph (B).

''(2) CONSULTATION.—In preparing an inventory of highway bridges on Indian reservation roads and park roads under paragraph (1), the Secretary shall consult with the Secretary of the Interior and the States.

''(3) INVENTORY OF HISTORICAL BRIDGES.—At the request of a State, the Secretary may inventory highway bridges on public roads for historical significance.

''(c) CERTIFICATION BY THE STATE.—Not later than 180 days after the end of each fiscal year beginning with fiscal year 1998, each State shall certify to the Secretary, either that—

''(1) the State has reserved, from funds apportioned to the State for the preceding fiscal year, to carry out bridge projects eligible under sections 103(b)(5), 119, and 133(b), an amount that is not less than the amount apportioned to the State under this section for fiscal year 1997; or

''(2) the amount that the State will reserve, from funds apportioned to the State for the period consisting of fiscal years 1998 through 2001, to carry out bridge projects eligible under sections 103(b)(5), 119, and 133(b), will be not less than 4 times the amount apportioned to the State under this section for fiscal year 1997.

''(d) USE OF RESERVED FUNDS.—A State may use funds reserved under subsection (c) to replace, rehabilitate, reconstruct, seismically retrofit, paint, apply calcium magnesium acetate to, apply sodium acetate/formate deicer to, or install scour countermeasures on a highway bridge on a public road that crosses a waterway, other topographical barrier, other highway, or railroad.

''(e) OFF-SYSTEM BRIDGES.—

''(1) REQUIRED EXPENDITURE.—For each fiscal year, an amount equal to not less than 15 percent of the amount apportioned to a State under this section for fiscal year 1997 shall be expended by the State for projects to replace, rehabilitate, reconstruct, seismically retrofit, paint, apply calcium magnesium acetate to, apply sodium acetate/formate deicer to, or install scour countermeasures on highway bridges located on public roads that are functionally classified as local roads or rural minor collectors.

''(2) USE OF FUNDS TO MEET REQUIRED EXPENDITURE.—Funds reserved under subsection (c) and funds made available under section 104(b)(1) for the National Highway System or under section 104(b)(3) for the surface transportation program may be used to meet the requirement for expenditure under paragraph (1).

''(3) REDUCTION OF REQUIRED EXPENDITURE.—After consultation with local and State officials in a State, the Secretary may, with respect to the State, reduce the requirement for expenditure under paragraph (1) if the Secretary determines that the State has inadequate needs to justify the expenditure.

''(f) FEDERAL SHARE.—The Federal share of the cost of a project under this section shall be as determined under section 120(b).

''(g) BRIDGE PERMIT EXEMPTION.—

''(1) IN GENERAL.—Subject to paragraph (2), notwithstanding any other provision of law, the General Bridge Act of 1946 (33 U.S.C. 525 et seq.) shall apply to each bridge authorized to be replaced, in whole or in part, under this section.

''(2) EXCEPTION.—Section 502(b) of the General Bridge Act of 1946 (33 U.S.C. 525(b)) and section 9 of the Act of March 3, 1899 (30 Stat. 1151, chapter 425; 33 U.S.C. 401), shall not apply to any bridge constructed, reconstructed, rehabilitated, or replaced with assistance under this title if the bridge is over waters that are—

''(A) not used and not susceptible to use in their natural condition or by reasonable improvement as a means to transport interstate or foreign commerce; and

''(B)(i) not tidal; or

''(ii) tidal but used only by recreational boating, fishing, and other small vessels that are less than 21 feet in length.

''(h) INDIAN RESERVATION ROAD BRIDGES.—

''(1) NATIONWIDE PRIORITY PROGRAM.—The Secretary shall establish a nationwide priority program for improving deficient Indian reservation road bridges.

''(2) RESERVATION OF FUNDS.—

''(A) IN GENERAL.—Of the amounts authorized for Indian reservation roads for each fiscal year, the Secretary, in cooperation with the Secretary of the Interior, shall reserve not less than $9,000,000 for projects to replace, rehabilitate, seismically retrofit, paint, apply calcium magnesium acetate to, apply sodium acetate/formate deicer to, or install scour countermeasures for deficient Indian reservation road bridges, including multiple-pipe culverts.

''(B) ELIGIBLE BRIDGES.—To be eligible to receive funding under this subsection, a bridge described in subparagraph (A) must—

''(i) have an opening of 20 feet or more;

''(ii) be on an Indian reservation road;

''(iii) be unsafe because of structural deficiencies, physical deterioration, or functional obsolescence; and

''(iv) be recorded in the national bridge inventory administered by the Secretary under subsection (b).

''(3) APPROVAL REQUIREMENT.—Funds to carry out Indian reservation road bridge

projects under this subsection shall be made available only on approval of plans, specifications, and estimates by the Secretary.'';

(4) by redesignating subsection (o) as subsection (i); and

(5) in subsection (i) (as so redesignated)—

(A) in paragraph (1), by inserting ''for alternative transportation purposes (including bikeway and walkway projects eligible for funding under this title)'' after ''adaptive reuse'';

(B) in paragraph (3)—

(i) by inserting ''(regardless of whether the intended use is for motorized vehicular traffic or for alternative public transportation purposes)'' after ''intended use''; and

(ii) by inserting ''or for alternative public transportation purposes'' after ''no longer used for motorized vehicular traffic''; and

(C) in the second sentence of paragraph (4)—

(i) by inserting ''for motorized vehicles, alternative vehicular traffic, or alternative public transportation'' after ''historic bridge''; and

(ii) by striking ''up to an amount not to exceed the cost of demolition''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 144 and inserting the following:

''144. Highway bridge replacement and rehabilitation.''.

SEC. 1123. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.

(a) ESTABLISHED PROGRAM.—Section 149(a) of title 23, United States Code, is amended by striking ''ESTABLISHMENT.—The Secretary shall establish'' and inserting ''IN GENERAL.—The Secretary shall carry out''.

(b) ELIGIBLE PROJECTS.—Section 149(b) of title 23, United States Code, is amended in the first sentence—

(1) by striking ''that was designated as a nonattainment area under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)) during any part of fiscal year 1994'' and inserting ''that is designated as a nonattainment area under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)) or classified as a submarginal ozone nonattainment area under that Act, or if the project or program is for a maintenance area,'';

(2) in paragraph (1)—

(A) in subparagraph (A), by striking ''clauses (xii) and'' and inserting ''clause''; and

(B) in subparagraph (B), by striking ''such section'' and inserting ''section 108(f)(1)(A) (other than clause (xvi)) of the Clean Air Act (42 U.S.C. 7408(f)(1)(A))'';

(3) in paragraph (2), by inserting ''or maintenance'' after ''State implementation'';

(4) in paragraph (3), by inserting ''or maintenance of the standard'' after ''standard''; and

(5) in paragraph (4), by inserting ''or maintenance'' after ''attainment''.

(c) STATES RECEIVING MINIMUM APPORTIONMENT.—Section 149 of title 23, United States Code, is amended by striking subsection (c) and inserting the following:

''(c) STATES RECEIVING MINIMUM APPORTIONMENT.—

''(1) STATES WITHOUT A NONATTAINMENT AREA.—If a State does not have, and never has had, a nonattainment area designated under the Clean Air Act (42 U.S.C. 7401 et seq.), the State may use funds apportioned to the State under section 104(b)(2) for any project eligible under the surface transportation program under section 133.

''(2) STATES WITH A NONATTAINMENT AREA.—If a State has a nonattainment area or maintenance area and receives funds under section 104(b)(2)(D) above the amount of funds that the State would have received based on its nonattainment and maintenance area population under subparagraphs (B) and (C) of section 104(b)(2), the State may use that portion of the funds not based on its nonattainment and maintenance area population under subparagraphs (B) and (C) of section 104(b)(2) for any project in the State eligible under section 133.''.

(d) FEDERAL SHARE.—Section 120(c) of title 23, United States Code, is amended in the first sentence by striking ''The'' and inserting ''Except in the case of a project funded from sums apportioned under section 104(b)(2), the''.

(e) CONFORMING AMENDMENTS.—

(1) Section 101(a) of title 23, United States Code, is amended by inserting after the undesignated paragraph defining ''maintenance'' the following:

''The term 'maintenance area' means an area that was designated as a nonattainment area, but was later redesignated by the Administrator of the Environmental Protection Agency as an attainment area, under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)).''.

(2) Section 149(b)(1)(A)(ii) of title 23, United States Code, is amended by striking ''an area'' and all that follows and inserting ''a maintenance area; or''.

SEC. 1124. SAFETY BELT USE LAW REQUIREMENTS.

Section 355 of the National Highway System Designation Act of 1995 (109 Stat. 624) is amended—

(1) in the section heading, by striking ''**AND MAINE**'';

(2) in subsection (a)—

(A) by striking ''States of New Hampshire and Maine shall each'' and inserting ''State of New Hampshire shall''; and

(B) in paragraph (1), by striking ''and 1996'' and inserting ''through 2000''; and

(3) by striking ''or Maine'' each place it appears.

SEC. 1125. SENSE OF THE SENATE CONCERNING RELIANCE ON PRIVATE ENTERPRISE.

(a) IN GENERAL.—It is the sense of the Senate that each agency authorized to expend funds made available under this Act, or an amendment made by this Act, or a recipient of any form of a grant or other Federal assistance under this Act, or an amendment made by this Act—

(1) should, in expending the funds or assistance, rely on entities in the private enterprise system to provide such goods and services as are reasonably and expeditiously available through ordinary business channels; and

(2) shall not duplicate or compete with entities in the private enterprise system.

(b) PROCEDURES.—The Secretary should provide procedures to inform each agency that administers this Act and each recipient of a grant or other Federal assistance of the sense of the Senate expressed in subsection (a).

SEC. 1126. STUDY OF USE OF UNIFORMED POLICE OFFICERS ON FEDERAL-AID HIGHWAY CONSTRUCTION PROJECTS.

(a) IN GENERAL.—In consultation with the States and State transportation departments, the Secretary shall conduct a study on the extent and effectiveness of use by States of uniformed police officers on Federal-aid highway construction projects.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted under subsection (a), including any legislative and administrative recommendations of the Secretary.

SEC. 1127. CONTRACTING FOR ENGINEERING AND DESIGN SERVICES.

Section 112(b)(2) of title 23, United States Code, is amended—

(1) in subparagraph (B)(i), by striking '', except to'' and all that follows through ''services'';

(2) by striking subparagraph (C) and inserting the following:

''(C) SELECTION, PERFORMANCE, AND AUDITS.—

''(i) IN GENERAL.—All requirements for architectural, engineering, and related services at any phase of a highway project funded in whole or in part with Federal-aid highway funds shall be performed by a contract awarded in accordance with subparagraph (A).

''(ii) PROHIBITION ON STATE RESTRICTION.—A State shall not impose any overhead restriction that would preclude any qualified firm from being eligible to compete for contracts awarded in accordance with subparagraph (A).

''(iii) COMPLIANCE WITH FEDERAL ACQUISITION REGULATIONS.—The process for selection, award, performance, administration, and audit of the resulting contracts shall comply with the cost principles and cost accounting principles of the Federal Acquisition Regulations, including parts 30, 31, and 36 of the Regulations.''; and

(3) by adding at the end the following:

''(H) COMPLIANCE.—

''(i) IN GENERAL.—A State shall comply with the qualifications-based selection process, contracting based on the Federal Acquisition Regulations, and the single audit procedures required under this paragraph, or with an existing State law or a statute enacted in accordance with the legislative session exemption under subparagraph (G), with respect to any architecture, engineering, or related service contract for any phase of a Federal-aid highway project.

''(ii) STATES WITH ALTERNATIVE PROCESS.—Any State that, after November 28, 1995, enacted legislation to establish an alternative State process as a substitute for the contract administration and audit procedures required under this paragraph or was granted a waiver under subparagraph (G) shall submit the legislation to the Secretary, not later than 60 days after the date of enactment of this subparagraph, for certification that the State legislation is in compliance with the statutory timetable and substantive criteria specified in subparagraph (G).''.

Subtitle B—Program Streamlining and Flexibility

CHAPTER 1—GENERAL PROVISIONS

SEC. 1201. ADMINISTRATIVE EXPENSES.

Section 104 of title 23, United States Code, is amended by striking subsection (a) and inserting the following:

''(a) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—Whenever an apportionment is made of the sums made available for expenditure on the surface transportation program under section 133, the congestion mitigation and air quality improvement program under section 149, or the Interstate and National Highway System program under section 103, the Secretary shall deduct a sum, in an amount not to exceed 1½ percent of all sums so made available, as the Secretary determines necessary to administer the provisions of law to be financed from appropriations for the Federal-aid highway program and programs authorized under chapter 2.

''(2) CONSIDERATION OF UNOBLIGATED BALANCES.—In making the determination described in paragraph (1), the Secretary shall take into account the unobligated balance of any sums deducted under this subsection in prior fiscal years.

''(3) AVAILABILITY.—The sum deducted under paragraph (1) shall remain available until expended.''.

SEC. 1202. REAL PROPERTY ACQUISITION AND CORRIDOR PRESERVATION.

(a) ADVANCE ACQUISITION OF REAL PROPERTY.—Section 108 of title 23, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 108. Advance acquisition of real property";

and

(2) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—

''(1) AVAILABILITY OF FUNDS.—For the purpose of facilitating the timely and economical acquisition of real property for a transportation improvement eligible for funding under this title, the Secretary, upon the request of a State, may make available, for the acquisition of real property, such funds apportioned to the State as may be expended on the transportation improvement, under such rules and regulations as the Secretary may issue.

''(2) CONSTRUCTION.—The agreement between the Secretary and the State for the reimbursement of the cost of the real property shall provide for the actual construction of the transportation improvement within a period not to exceed 20 years following the fiscal year for which the request is made, unless the Secretary determines that a longer period is reasonable.''.

(b) CREDIT FOR ACQUIRED LANDS.—Section 323(b) of title 23, United States Code, is amended—

(1) in the subsection heading, by striking ''DONATED'' and inserting ''ACQUIRED'';

(2) by striking paragraphs (1) and (2) and inserting the following:

''(1) IN GENERAL.—Notwithstanding any other provision of this title, the State share of the cost of a project with respect to which Federal assistance is provided from the Highway Trust Fund (other than the Mass Transit Account) may be credited in an amount equal to the fair market value of any land that—

''(A) is obtained by the State, without violation of Federal law; and

''(B) is incorporated into the project.

''(2) ESTABLISHMENT OF FAIR MARKET VALUE.—The fair market value of land incorporated into a project and credited under paragraph (1) shall be established in the manner determined by the Secretary, except that—

''(A) the fair market value shall not include any increase or decrease in the value of donated property caused by the project; and

''(B) the fair market value of donated land shall be established as of the earlier of—

''(i) the date on which the donation becomes effective; or

''(ii) the date on which equitable title to the land vests in the State.'';

(3) by striking paragraph (3);

(4) in paragraph (4), by striking ''to which the donation is applied''; and

(5) by redesignating paragraph (4) as paragraph (3).

(c) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 108 and inserting the following:

''108. Advance acquisition of real property.''.

SEC. 1203. AVAILABILITY OF FUNDS.

Section 118 of title 23, United States Code, is amended by striking subsection (e) and inserting the following:

''(e) AVAILABILITY OF FUNDS.—

''(1) IN GENERAL.—Any Federal-aid highway funds released by the final payment on a project, or by the modification of a project agreement, shall be credited to the same program funding category for which the funds were previously apportioned and shall be immediately available for obligation.

''(2) TRANSFER OF INTERSTATE CONSTRUCTION FUNDS.—Any Federal-aid highway funds apportioned to a State under section 104(b)(5)(A) (as in effect on the day before the date of enactment of this paragraph) and credited under paragraph (1) may be transferred by the Secretary in accordance with section 103(d).''.

SEC. 1204. PAYMENTS TO STATES FOR CONSTRUCTION.

Section 121 of title 23, United States Code, is amended—

(1) in subsection (a), by striking the second and third sentences and inserting the following: ''The payments may also be made for the value of such materials as—

''(1) have been stockpiled in the vicinity of the construction in conformity to plans and specifications for the projects; and

''(2) are not in the vicinity of the construction if the Secretary determines that because of required fabrication at an off-site location the materials cannot be stockpiled in the vicinity.'';

(2) by striking subsection (b) and inserting the following:

''(b) PROJECT AGREEMENTS.—

''(1) PAYMENTS.—A payment under this chapter may be made only for a project covered by a project agreement.

''(2) SOURCE OF PAYMENTS.—After completion of a project in accordance with the project agreement, a State shall be entitled to payment, out of the appropriate sums apportioned or allocated to the State, of the unpaid balance of the Federal share of the cost of the project.'';

(3) by striking subsections (c) and (d); and

(4) by redesignating subsection (e) as subsection (c).

SEC. 1205. PROCEEDS FROM THE SALE OR LEASE OF REAL PROPERTY.

(a) IN GENERAL.—Section 156 of title 23, United States Code, is amended to read as follows:

"§ 156. Proceeds from the sale or lease of real property

''(a) MINIMUM CHARGE.—Subject to section 142(f), a State shall charge, at a minimum, fair market value for the sale, use, lease, or lease renewal (other than for utility use and occupancy or for a transportation project eligible for assistance under this title) of real property acquired with Federal assistance made available from the Highway Trust Fund (other than the Mass Transit Account).

''(b) EXCEPTIONS.—The Secretary may grant an exception to the requirement of subsection (a) for a social, environmental, or economic purpose.

''(c) USE OF FEDERAL SHARE OF INCOME.—The Federal share of net income from the revenues obtained by a State under subsection (a) shall be used by the State for projects eligible under this title.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 156 and inserting the following:

''156. Proceeds from the sale or lease of real property.''.

SEC. 1206. METRIC CONVERSION AT STATE OPTION.

Section 205(c)(2) of the National Highway System Designation Act of 1995 (23 U.S.C. 109 note; 109 Stat. 577) is amended by striking ''Before September 30, 2000, the'' and inserting ''The''.

SEC. 1207. REPORT ON OBLIGATIONS.

Section 104(m) of title 23, United States Code (as redesignated by section 1113(c)(1)), is amended—

(1) by inserting ''REPORT TO CONGRESS.—'' before ''The Secretary'';

(2) by striking ''not later than'' and all that follows through ''a report'' and inserting ''a report for each fiscal year'';

(3) in paragraph (1), by striking ''preceding calendar month'' and inserting ''preceding fiscal year'';

(4) by striking paragraph (2);

(5) in paragraph (3), by striking ''such preceding month'' and inserting ''that preceding fiscal year''; and

(6) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 1208. TERMINATIONS.

(a) RIGHT-OF-WAY REVOLVING FUND.—Section 108 of title 23, United States Code, is amended by striking subsection (c) and inserting the following:

''(c) TERMINATION OF RIGHT-OF-WAY REVOLVING FUND.—

''(1) IN GENERAL.—Funds apportioned and advanced to a State by the Secretary from the right-of-way revolving fund established by this section prior to the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997 shall remain available to the State for use on the projects for which the funds were advanced for a period of 20 years from the date on which the funds were advanced.

''(2) CREDIT TO HIGHWAY TRUST FUND.—With respect to a project for which funds have been advanced from the right-of-way revolving fund, upon the termination of the 20-year period referred to in paragraph (1), when actual construction is commenced, or upon approval by the Secretary of the plans, specifications, and estimates for the actual construction of the project on the right-of-way, whichever occurs first—

''(A) the Highway Trust Fund shall be credited with an amount equal to the Federal share of the funds advanced, as provided in section 120, out of any Federal-aid highway funds apportioned to the State in which the project is located and available for obligation for projects of the type funded; and

''(B) the State shall reimburse the Secretary in an amount equal to the non-Federal share of the funds advanced for deposit in, and credit to, the Highway Trust Fund.''.

(b) PILOT TOLL COLLECTION PROGRAM.—Section 129 of title 23, United States Code, is amended by striking subsection (d).

(c) NATIONAL RECREATIONAL TRAILS ADVISORY COMMITTEE.—As soon as practicable after the date of enactment of this Act, the Secretary shall take such action as is necessary for the termination of the National Recreational Trails Advisory Committee established by section 1303 of the Intermodal Surface Transportation Efficiency Act of 1991 (16 U.S.C. 1262) (as in effect on the day before the date of enactment of this Act).

(d) CONGRESSIONAL BRIDGE COMMISSIONS.—Public Law 87–441 (76 Stat. 59) is repealed.

SEC. 1209. INTERSTATE MAINTENANCE.

(a) INTERSTATE FUNDS.—Section 119 of title 23, United States Code, is amended—

(1) in subsection (a), by striking the second sentence;

(2) by striking subsection (d); and

(3) by striking subsection (f) and inserting the following:

''(f) TRANSFERABILITY OF FUNDS.—

''(1) UNCONDITIONAL.—A State may transfer an amount not to exceed 30 percent of the sums apportioned to the State under subparagraphs (A) and (B) of section 104(b)(1) to the apportionment of the State under paragraphs (1)(C) and (3) of section 104(b).

''(2) UPON ACCEPTANCE OF CERTIFICATION.—If a State certifies to the Secretary that any part of the sums apportioned to the State under subparagraphs (A) and (B) of section 104(b)(1) is in excess of the needs of the State for resurfacing, restoring, rehabilitating, or reconstructing routes and bridges on the Interstate System in the State and that the State is adequately maintaining the routes and bridges, and the Secretary accepts the

certification, the State may transfer, in addition to the amount authorized to be transferred under paragraph (1), an amount not to exceed 20 percent of the sums apportioned to the State under subparagraphs (A) and (B) of section 104(b)(1) to the apportionment of the State under paragraphs (1)(C) and (3) of section 104(b).''.

(b) ELIGIBILITY.—Section 119 of title 23, United States Code, is amended—

(1) in the first sentence of subsection (a), by striking ''and rehabilitating'' and inserting '', rehabilitating, and reconstructing'';

(2) by striking subsections (b), (c), (e), and (g);

(3) by inserting after subsection (a) the following:

''(b) ELIGIBLE ACTIVITIES.—

''(1) IN GENERAL.—A State—

''(A) may use funds apportioned under subparagraph (A) or (B) of section 104(b)(1) for resurfacing, restoring, rehabilitating, and reconstructing routes on the Interstate System, including—

''(i) resurfacing, restoring, rehabilitating, and reconstructing bridges, interchanges, and overcrossings;

''(ii) acquiring rights-of-way; and

''(iii) intelligent transportation system capital improvements that are infrastructure-based to the extent that they improve the performance of the Interstate System; but

''(B) may not use the funds for construction of new travel lanes other than high-occupancy vehicle lanes or auxiliary lanes.

''(2) EXPANSION OF CAPACITY.—

''(A) USING TRANSFERRED FUNDS.—Notwithstanding paragraph (1), funds transferred under subsection (c)(1) may be used for construction to provide for expansion of the capacity of an Interstate System highway (including a bridge).

''(B) USING FUNDS NOT TRANSFERRED.—

''(i) IN GENERAL.—In lieu of transferring funds under subsection (c)(1) and using the transferred funds for the purpose described in subparagraph (A), a State may use an amount of the sums apportioned to the State under subparagraph (A) or (B) of section 104(b)(1) for the purpose described in subparagraph (A).

''(ii) LIMITATION.—The sum of the amount used under clause (i) and any amount transferred under subsection (c)(1) by a State may not exceed 30 percent of the sums apportioned to the State under subparagraphs (A) and (B) of section 104(b)(1).''; and

(4) by redesignating subsection (f) as subsection (c).

(c) CONFORMING AMENDMENTS.—

(1) Section 119(a) of title 23, United States Code, is amended in the first sentence by striking ''; except that the Secretary may only approve a project pursuant to this subsection on a toll road if such road is subject to a Secretarial agreement provided for in subsection (e)''.

(2) Section 1009(c)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 119 note; 105 Stat. 1934) is amended by striking ''section 119(f)(1)'' and inserting ''section 119(c)(1)''.

CHAPTER 2—PROJECT APPROVAL

SEC. 1221. TRANSFER OF HIGHWAY AND TRANSIT FUNDS.

Section 104 of title 23, United States Code (as amended by section 1118), is amended by inserting after subsection (k) the following:

''(l) TRANSFER OF HIGHWAY AND TRANSIT FUNDS.—

''(1) TRANSFER OF HIGHWAY FUNDS.—Funds made available under this title and transferred for transit projects shall be administered by the Secretary in accordance with chapter 53 of title 49, except that the provisions of this title relating to the non-Federal share shall apply to the transferred funds.

''(2) TRANSFER OF TRANSIT FUNDS.—Funds made available under chapter 53 of title 49 and transferred for highway projects shall be administered by the Secretary in accordance with this title, except that the provisions of that chapter relating to the non-Federal share shall apply to the transferred funds.

''(3) TRANSFER TO AMTRAK AND PUBLICLY-OWNED PASSENGER RAIL LINES.—Funds made available under this title or chapter 53 of title 49 and transferred to the National Railroad Passenger Corporation or to any publicly-owned intercity or intracity passenger rail line shall be administered by the Secretary in accordance with subtitle V of title 49, except that the provisions of this title or chapter 53 of title 49, as applicable, relating to the non-Federal share shall apply to the transferred funds.

''(4) TRANSFER OF OBLIGATION AUTHORITY.—Obligation authority provided for projects described in paragraphs (1) through (3) shall be transferred in the same manner and amount as the funds for the projects are transferred.''.

SEC. 1222. PROJECT APPROVAL AND OVERSIGHT.

(a) IN GENERAL.—Section 106 of title 23, United States Code, is amended—

(1) by striking the section heading and inserting the following:

''§ 106. Project approval and oversight'';

(2) by redesignating subsections (e) and (f) as subsections (g) and (h), respectively;

(3) by striking subsections (a) through (d) and inserting the following:

''(a) IN GENERAL.—Except as otherwise provided in this section, the State transportation department shall submit to the Secretary for approval such plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary shall act upon such plans, specifications, and estimates as soon as practicable after they have been submitted, and shall enter into a formal project agreement with the State transportation department formalizing the conditions of the project approval. The execution of such project agreement shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto. In taking such action, the Secretary shall be guided by the provisions of section 109 of this title.

''(b) PROJECT AGREEMENT.—The project agreement shall make provision for State funds required for the State's pro rata share of the cost of construction of the project and for the maintenance of the project after completion of construction. The Secretary may rely upon representations made by the State transportation department with respect to the arrangements or agreements made by the State transportation department and appropriate local officials where a part of the project is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

''(c) SPECIAL RULES FOR PROJECT OVERSIGHT.—

''(1) NHS PROJECTS.—Except as otherwise provided in subsection (d) of this section, the Secretary may discharge to the State any of the Secretary's responsibilities for the design, plans, specifications, estimates, contract awards, and inspection of projects under this title on the National Highway System. Before discharging responsibilities to the State, the Secretary shall reach agreement with the State as to the extent to which the State may assume the responsibilities of the Secretary under this subsection. The Secretary may not assume any greater responsibility than the Secretary is permitted under this title as of September 30, 1997, except upon agreement by the Secretary and the State.

''(2) NON-NHS PROJECTS.—For all projects under this title that are off the National Highway System, the State may request that the Secretary no longer review and approve the design, plans, specifications, estimates, contract awards, and inspection of projects under this title. After receiving any such request, the Secretary shall undertake project review only as requested by the State.

''(d) RESPONSIBILITIES OF THE SECRETARY.—

''(1) IN GENERAL.—Subject to paragraph (2), nothing in this section, section 133, or section 149 shall affect or discharge any responsibility or obligation of the Secretary under any Federal law other than this title.

''(2) LIMITATION.—Any responsibility or obligation of the Secretary under sections 113 and 114 of this title shall not be affected and may not be discharged under this section, section 133, or section 149.

''(e) VALUE ENGINEERING ANALYSIS.—In such cases as the Secretary determines advisable, plans, specifications, and estimates for proposed projects on any Federal-aid highway shall be accompanied by a value engineering or other cost reduction analysis.

''(f) FINANCIAL PLAN.—The Secretary shall require a financial plan to be prepared for any project with an estimated total cost of $1,000,000,000 or more.''.

(b) STANDARDS.—

(1) ELIMINATION OF GUIDELINES AND ANNUAL CERTIFICATION REQUIREMENTS.—Section 109 of title 23, United States Code, is amended—

(A) by striking subsection (m); and

(B) by redesignating subsections (n) through (q) as subsections (m) through (p), respectively.

(2) SAFETY STANDARDS.—Section 109 of title 23, United States Code (as amended by paragraph (1)), is amended by adding at the end the following:

''(q) PHASE CONSTRUCTION.—Safety considerations for a project under this title may be met by phase construction.''.

(c) PROGRAMS; PROJECT AGREEMENTS; CERTIFICATION ACCEPTANCE.—Sections 110 and 117 of title 23, United States Code, are repealed.

(d) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23 is amended—

(A) by striking the item relating to section 106 and inserting the following:

''106. Project approval and oversight.''; and

(B) by striking the items relating to sections 110 and 117.

(2) Section 101(a) of title 23, United States Code, is amended in the undesignated paragraph defining ''project agreement'' by striking ''the provisions of subsection (a) of section 110 of this title'' and inserting ''section 106''.

(3) Section 114(a) of title 23, United States Code, is amended in the second sentence by striking ''section 117 of this title'' and inserting ''section 106''.

SEC. 1223. SURFACE TRANSPORTATION PROGRAM.

(a) TRANSPORTATION ENHANCEMENT ACTIVITIES.—Section 133 of title 23, United States Code, is amended—

(1) in subsection (d)—

(A) in paragraph (2), by striking ''10'' and inserting ''8''; and

(B) in the first sentence of paragraph (3)(A), by striking ''80'' and inserting ''82''; and

(2) in subsection (e)—

(A) in paragraph (3)(B)(i), by striking ''if the Secretary'' and all that follows through ''activities''; and

(B) in paragraph (5), by adding at the end the following:

''(C) INNOVATIVE FINANCING.—

''(i) IN GENERAL.—For each fiscal year, the average annual non-Federal share of the

total cost of all projects to carry out transportation enhancement activities in a State shall be not less than the non-Federal share authorized for the State under section 120(b).

''(ii) EXCEPTION.—Subject to clause (i), notwithstanding section 120, in the case of projects to carry out transportation enhancement activities—

''(I) funds from other Federal agencies, and other contributions that the Secretary determines are of value, may be credited toward the non-Federal share of project costs;

''(II) the non-Federal share may be calculated on a project, multiple-project, or program basis; and

''(III) the Federal share of the cost of an individual project subject to subclause (I) or (II) may be equal to 100 percent.''.

(b) PROGRAM APPROVAL.—Section 133(e) of title 23, United States Code, is amended by striking paragraph (2) and inserting the following:

''(2) PROGRAM APPROVAL.—

''(A) SUBMISSION OF PROJECT AGREEMENT.—For each fiscal year, each State shall submit a project agreement that—

''(i) certifies that the State will meet all the requirements of this section; and

''(ii) notifies the Secretary of the amount of obligations needed to carry out the program under this section.

''(B) REQUEST FOR ADJUSTMENTS OF AMOUNTS.—As necessary, each State shall request from the Secretary adjustments to the amount of obligations referred to in subparagraph (A)(ii).

''(C) EFFECT OF APPROVAL BY THE SECRETARY.—Approval by the Secretary of a project agreement under subparagraph (A) shall be deemed a contractual obligation of the United States to pay surface transportation program funds made available under this title.''.

(c) PAYMENTS.—Section 133(e)(3)(A) of title 23, United States Code, is amended by striking the second sentence.

SEC. 1224. DESIGN-BUILD CONTRACTING.

(a) AUTHORITY.—Section 112(b) of title 23, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)'';

(2) in paragraph (2)(A), by striking ''Each'' and inserting ''Subject to paragraph (3), each''; and

(3) by adding at the end the following:

''(3) DESIGN-BUILD CONTRACTING.—

''(A) IN GENERAL.—A State transportation department may award a contract for the design and construction of a qualified project described in subparagraph (B) using competitive selection procedures approved by the Secretary.

''(B) QUALIFIED PROJECTS.—A qualified project referred to in subparagraph (A) is a project under this chapter that involves installation of an intelligent transportation system or that consists of a usable project segment and for which—

''(i) the Secretary has approved the use of design-build contracting described in subparagraph (A) under criteria specified in regulations promulgated by the Secretary; and

''(ii) the total costs are estimated to exceed—

''(I) in the case of a project that involves installation of an intelligent transportation system, $5,000,000; and

''(II) in the case of a usable project segment, $50,000,000.''.

(b) COMPETITIVE BIDDING DEFINED.—Section 112 of title 23, United States Code, is amended by striking subsection (f) and inserting the following:

''(f) COMPETITIVE BIDDING DEFINED.—In this section, the term 'competitive bidding' means the procedures used to award contracts for engineering and design services under subsection (b)(2) and design-build contracts under subsection (b)(3).''.

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than the effective date specified in subsection (e), the Secretary shall promulgate regulations to carry out the amendments made by this section.

(2) CONTENTS.—The regulations shall—

(A) identify the criteria to be used by the Secretary in approving the use by a State transportation department of design-build contracting; and

(B) establish the procedures to be followed by a State transportation department for obtaining the Secretary's approval of the use of design-build contracting by the department and the selection procedures used by the department.

(d) EFFECT ON EXPERIMENTAL PROGRAM.—Nothing in this section or the amendments made by this section affects the authority to carry out, or any project carried out under, any experimental program concerning design-build contracting that is being carried out by the Secretary as of the date of enactment of this Act.

(e) EFFECTIVE DATE FOR AMENDMENTS.—The amendments made by this section take effect 2 years after the date of enactment of this Act.

SEC. 1225. INTEGRATED DECISIONMAKING PROCESS.

(a) IN GENERAL.—Subchapter III of chapter 3 of title 49, United States Code, is amended by adding at the end the following:

''§ 354. Integrated decisionmaking process

''(a) DEFINITIONS.—In this section:

''(1) INTEGRATED DECISIONMAKING PROCESS.—The term 'integrated decisionmaking process' means the integrated decisionmaking process established with respect to a surface transportation project under subsection (b).

''(2) NEPA PROCESS.—The term 'NEPA process' means the process of complying with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to a surface transportation project.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

''(4) SURFACE TRANSPORTATION PROJECT.—The term 'surface transportation project' means—

''(A) a highway construction project that is subject to the approval of the Secretary under title 23; and

''(B) a capital project (as defined in section 5302(a)(1)).

''(b) ESTABLISHMENT OF INTEGRATED DECISIONMAKING PROCESSES FOR SURFACE TRANSPORTATION PROJECTS.—The Secretary shall—

''(1) establish an integrated decisionmaking process for surface transportation projects that designates major decision points likely to have significant environmental effects and conflicts; and

''(2) integrate the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with the requirements established by the Secretary for transportation planning and decisionmaking.

''(c) INTEGRATED DECISIONMAKING GOALS.—The integrated decisionmaking process for surface transportation projects should, to the maximum extent practicable, accomplish the following major goals:

''(1) Integrate the NEPA process with the planning, predesign stage, and decisionmaking for surface transportation projects at the earliest possible time.

''(2) Integrate all applicable Federal, State, tribal, and local permitting requirements.

''(3) Integrate national transportation, social, safety, economic, and environmental goals with State, tribal, and local land use and growth management initiatives.

''(4) Consolidate Federal, State, tribal, and local decisionmaking to achieve the best overall public interest according to an agreed schedule.

''(d) STREAMLINING.—

''(1) AVOIDANCE OF DELAYS, PREVENTION OF CONFLICTS, AND ELIMINATION OF UNNECESSARY DUPLICATION.—The Secretary shall design the integrated decisionmaking process to avoid delays in decisionmaking, prevent conflicts between cooperating agencies and members of the public, and eliminate unnecessary duplication of review and decisionmaking relating to surface transportation projects.

''(2) INTEGRATION; COMPREHENSIVE PROCESS.—The NEPA process—

''(A) shall be integrated with the transportation planning and decisionmaking of the Federal, State, tribal, and local transportation agencies; and

''(B) serve as a comprehensive decisionmaking process.

''(3) OTHER REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary shall—

''(i) establish a concurrent transportation and environmental coordination process to reduce paperwork, combine review documents, and eliminate duplicative reviews;

''(ii) develop interagency agreements to streamline and improve interagency coordination and processing time;

''(iii) apply strategic and programmatic approaches to better integrate and expedite the NEPA process and transportation decisionmaking; and

''(iv) ensure, in appropriate cases, by conducting concurrent reviews whenever possible, that any analyses and reviews conducted by the Secretary consider the needs of other reviewing agencies.

''(B) TIME SCHEDULES.—To comply with subparagraph (A)(ii), time schedules shall be consistent with sections 1501.8 and 1506.10 of title 40, Code of Federal Regulations (or any successor regulations).

''(4) CONCURRENT PROCESSING.—

''(A) IN GENERAL.—The integrated decisionmaking process shall, to the extent practicable, include a procedure to provide for concurrent (rather than sequential) processing of all Federal, State, tribal, and local reviews and decisions emanating from those reviews.

''(B) INCONSISTENCY WITH OTHER REQUIREMENTS.—Subparagraph (A) does not require concurrent review if concurrent review would be inconsistent with other statutory or regulatory requirements.

''(e) INTERAGENCY COOPERATION.—

''(1) LEAD AND COOPERATING AGENCY CONCEPTS.—The lead and cooperating agency concepts of section 1501 of title 40, Code of Federal Regulations (or any successor regulation), shall be considered essential elements to ensure integration of transportation decisionmaking.

''(2) RESPONSIBILITIES.—The Secretary shall—

''(A) not later than 60 days after the date on which a surface transportation project is selected for study by a State, identify each Federal agency that may be required to participate in the integrated decisionmaking process relating to the surface transportation project and notify the agency of the surface transportation project;

''(B) afford State, regional, tribal, and local governments with decisionmaking authority on surface transportation projects the opportunity to serve as cooperating agencies;

''(C) provide cooperating agencies the results of any analysis or other information related to a surface transportation project;

''(D) host an early scoping meeting for Federal agencies and, when appropriate, conduct field reviews, as soon as practicable in the environmental review process;

''(E) solicit from each cooperating agency as early as practicable the data and analyses necessary to facilitate execution of the duties of each cooperating agency;

''(F) use, to the maximum extent possible, scientific, technical, and environmental data and analyses previously prepared by or for other Federal, State, tribal, or local agencies, after an independent evaluation by the Secretary of the data and analyses;

''(G) jointly, with the cooperating agencies, host public meetings and other community participation processes; and

''(H) ensure that the NEPA process and documentation provide all necessary information for the cooperating agency to—

''(i) discharge the responsibilities of the cooperating agency under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other law; and

''(ii) grant approvals, permits, licenses, and clearances.

''(f) ENHANCED SCOPING PROCESS.—During the scoping process for a surface transportation project, in addition to other statutory and regulatory requirements, the Secretary shall, to the extent practicable—

''(1) provide the public with clearly understandable milestones that occur during an integrated decisionmaking process;

''(2) ensure that all agencies with jurisdiction by law or with special expertise have sufficient information and data to discharge their responsibilities;

''(3) ensure that all agencies with jurisdiction by law or with special expertise, and the public, are invited to participate in the initial scoping process;

''(4) coordinate with other agencies to ensure that the agencies provide to the Secretary, not later than 30 days after the first interagency scoping meeting, any preliminary concerns about how the proposed project may affect matters within their jurisdiction or special expertise based on information available at the time of the scoping meeting; and

''(5) in cooperation with all cooperating agencies, develop a schedule for conducting all necessary environmental and other review processes.

''(g) USE OF TITLE 23 FUNDS.—

''(1) USE BY STATES.—A State may use funds made available under section 104(b) or 105 of title 23 to provide resources to Federal or State agencies involved in the review or permitting process for a surface transportation project in order to meet a time schedule established under this section.

''(2) USE AT SECRETARY'S DISCRETION.—At the request of another Federal agency involved in the review or permitting process for a surface transportation project, the Secretary may provide funds under chapter 1 of title 23 to the agency to provide resources necessary to meet the time schedules established under this section.

''(2) AMOUNT.—Funds may be provided under paragraph (1) in the amount by which the cost to complete a environmental review in accordance with a time schedule established under this section exceeds the cost that would be incurred if there were no such time schedule.

''(3) NOT FINAL AGENCY ACTION.—The provision of funds under paragraph (1) does not constitute a final agency action.

''(h) STATE ROLE.—

''(1) IN GENERAL.—For any project eligible for assistance under chapter 1 of title 23, a State may require, by law or agreement coordinating with all related State agencies, that all State agencies that—

''(A) have jurisdiction by Federal or State law over environmental, growth management, or land-use related issues that may be affected by a surface transportation project; or

''(B) have responsibility for issuing any environment related reviews, analyses, opinions, or determinations;

be subject to the coordinated environmental review process provided under this section in issuing any analyses or approvals or taking any other action relating to the project.

''(2) ALL AGENCIES.—If a State requires that any State agency participate in a coordinated environmental review process, the State shall require all affected State agencies to participate.

''(i) EARLY ACTION REGARDING POTENTIALLY INSURMOUNTABLE OBSTACLES.—If, at any time during the integrated decisionmaking process for a proposed surface transportation project, a cooperating agency determines that there is any potentially insurmountable obstacle associated with any of the alternative transportation projects that might be undertaken to address the obstacle, the Secretary shall—

''(1) convene a meeting among the cooperating agencies to address the obstacle;

''(2) initiate conflict resolution efforts under subsection (j); or

''(3) eliminate from consideration the alternative transportation project with which the obstacle is associated.

''(j) CONFLICT RESOLUTION.—

''(1) FORUM.—The NEPA process shall be used as a forum to coordinate the actions of Federal, State, regional, tribal, and local agencies, the private sector, and the public to develop and shape surface transportation projects.

''(2) APPROACHES.—Collaborative, problem solving, and consensus building approaches shall be used (and, when appropriate, mediation may be used) to implement the integrated decisionmaking process with a goal of appropriately considering factors relating to transportation development, economic prosperity, protection of public health and the environment, community and neighborhood preservation, and quality of life for present and future generations.

''(3) UNRESOLVED ISSUES.—

''(A) NOTIFICATION.—If, before the final transportation NEPA document is approved—

''(i) an issue remains unresolved between the lead Federal agency and the cooperating agency; and

''(ii) efforts have been exhausted to resolve the issue at the field levels of each agency—

''(I) within the applicable timeframe of the interagency schedule established under subsection (f)(5); or

''(II) if no timeframe is established, within 90 days;

the field level officer of the lead agency shall notify the field level officer of the cooperating agency that the field level officer of the lead agency intends to bring the issue to the personal attention of the heads of the agencies.

''(B) EFFORTS BY THE AGENCY HEADS.—The head of the lead agency shall contact the head of the cooperating agency and attempt to resolve the issue within 30 days after notification by the field level officer of the unresolved issue.

''(C) CONSULTATION WITH CEQ.—The heads of the agencies are encouraged to consult with the Chair of the Council on Environmental Quality during the 30-day period under subparagraph (B).

''(D) FAILURE TO RESOLVE.—If the heads of the agencies do not resolve the issue within the time specified in subparagraph (B), the referral process under part 1504 of title 40, Code of Federal Regulations (or any successor regulation), shall be initiated with respect to the issue.

''(k) JUDICIAL REVIEW.—Nothing in this section affects the reviewability of any final agency action in a district court of the United States or any State court.

''(l) STATUTORY CONSTRUCTION.—Nothing in this section affects—

''(1) the applicability of the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or any other statute; or

''(2) the responsibility of any Federal, State, tribal, or local officer to comply with or enforce any statute or regulation.''.

(b) TIMETABLE; REPORT TO CONGRESS.—The Secretary, in consultation with the Chair of the Council on Environmental Quality and after notice and opportunity for public comment—

(1) not later than 180 days after the date of enactment of this Act, shall design the integrated decisionmaking process required by the amendment made by subsection (a);

(2) not later than 1 year after the date of enactment of this Act, shall promulgate a regulation governing implementation of an integrated decisionmaking process in accordance with the amendment made by subsection (a); and

(3) not later than 2 years after the date of enactment of this Act, shall submit to Congress a report identifying any additional legislative or other solutions that would further enhance the integrated decisionmaking process.

(c) CONFORMING AMENDMENT.—The analysis for subchapter III of chapter 3 of title 49, United States Code, is amended by adding at the end the following:

''354. Integrated decisionmaking process.''.

CHAPTER 3—ELIGIBILITY AND FLEXIBILITY

SEC. 1231. DEFINITION OF OPERATIONAL IMPROVEMENT.

Section 101(a) of title 23, United States Code, is amended by striking the undesignated paragraph defining ''operational improvement'' and inserting the following:

''The term 'operational improvement' means the installation, operation, or maintenance, in accordance with subchapter II of chapter 5, of public infrastructure to support intelligent transportation systems and includes the installation or operation of any traffic management activity, communication system, or roadway weather information and prediction system, and any other improvement that the Secretary may designate that enhances roadway safety and mobility during adverse weather.''.

SEC. 1232. ELIGIBILITY OF FERRY BOATS AND FERRY TERMINAL FACILITIES.

(a) IN GENERAL.—Section 129(c) of title 23, United States Code, is amended by inserting ''in accordance with sections 103, 133, and 149,'' after ''toll or free,''.

(b) NATIONAL HIGHWAY SYSTEM.—Section 103(b)(5) of title 23, United States Code (as amended by section 1234), is amended by adding at the end the following:

''(R) Construction of ferry boats and ferry terminal facilities, if the conditions described in section 129(c) are met.''.

(c) SURFACE TRANSPORTATION PROGRAM.—Section 133(b) of title 23, United States Code, is amended by adding at the end the following:

''(12) Construction of ferry boats and ferry terminal facilities, if the conditions described in section 129(c) are met.''.

(d) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—Section 149(b) of title 23, United States Code, is amended—

(1) in paragraph (3), by striking ''or'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (4) the following:

''(5) if the project or program is to construct a ferry boat or ferry terminal facility

and if the conditions described in section 129(c) are met.''.

SEC. 1233. FLEXIBILITY OF SAFETY PROGRAMS.

Section 133(d) of title 23, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) SAFETY PROGRAMS.—

''(A) IN GENERAL.—With respect to funds apportioned for each of fiscal years 1998 through 2003—

''(i) an amount equal to 2 percent of the amount apportioned to a State under section 104(b)(3) shall be available only to carry out activities eligible under section 130;

''(ii) an amount equal to 2 percent of the amount apportioned to a State under section 104(b)(3) shall be available only to carry out activities eligible under section 152; and

''(iii) an amount equal to 6 percent of the amount apportioned to a State under section 104(b)(3) shall be available only to carry out activities eligible under section 130 or 152.

''(B) TRANSFER OF FUNDS.—If a State certifies to the Secretary that any part of the amount set aside by the State under subparagraph (A)(i) is in excess of the needs of the State for activities under section 130 and the Secretary accepts the certification, the State may transfer that excess part to the set-aside of the State under subparagraph (A)(ii).

''(C) TRANSFERS TO OTHER SAFETY PROGRAMS.—A State may transfer funds set aside under subparagraph (A)(iii) to the apportionment of the State under section 402 or the allocation of the State under section 31104 of title 49.''.

SEC. 1234. ELIGIBILITY OF PROJECTS ON THE NATIONAL HIGHWAY SYSTEM.

Section 103(b) of title 23, United States Code (as amended by section 1701(a)), is amended by adding at the end the following:

''(5) ELIGIBLE PROJECTS FOR NHS.—Subject to approval by the Secretary, funds apportioned to a State under section 104(b)(1)(C) for the National Highway System may be obligated for any of the following:

''(A) Construction, reconstruction, resurfacing, restoration, and rehabilitation of segments of the National Highway System.

''(B) Operational improvements for segments of the National Highway System.

''(C) Construction of, and operational improvements for, a Federal-aid highway not on the National Highway System, construction of a transit project eligible for assistance under chapter 53 of title 49, and capital improvements to any National Railroad Passenger Corporation passenger rail line or any publicly-owned intercity passenger rail line, if—

''(i) the highway, transit, or rail project is in the same corridor as, and in proximity to, a fully access-controlled highway designated as a part of the National Highway System;

''(ii) the construction or improvements will improve the level of service on the fully access-controlled highway described in clause (i) and improve regional traffic flow; and

''(iii) the construction or improvements are more cost-effective than an improvement to the fully access-controlled highway described in clause (i).

''(D) Highway safety improvements for segments of the National Highway System.

''(E) Transportation planning in accordance with sections 134 and 135.

''(F) Highway research and planning in accordance with chapter 5.

''(G) Highway-related technology transfer activities.

''(H) Capital and operating costs for traffic monitoring, management, and control facilities and programs.

''(I) Fringe and corridor parking facilities.

''(J) Carpool and vanpool projects.

''(K) Bicycle transportation and pedestrian walkways in accordance with section 217.

''(L) Development, establishment, and implementation of management systems under section 303.

''(M) In accordance with all applicable Federal law (including regulations), participation in natural habitat and wetland mitigation efforts related to projects funded under this title, which may include participation in natural habitat and wetland mitigation banks, contributions to statewide and regional efforts to conserve, restore, enhance, and create natural habitats and wetland, and development of statewide and regional natural habitat and wetland conservation and mitigation plans, including any such banks, efforts, and plans authorized under the Water Resources Development Act of 1990 (Public Law 101–640) (including crediting provisions). Contributions to the mitigation efforts described in the preceding sentence may take place concurrent with or in advance of project construction, except that contributions in advance of project construction may occur only if the efforts are consistent with all applicable requirements of Federal law (including regulations) and State transportation planning processes.

''(N) Publicly-owned intracity or intercity passenger rail or bus terminals, including terminals of the National Railroad Passenger Corporation and publicly-owned intermodal surface freight transfer facilities, other than seaports and airports, if the terminals and facilities are located on or adjacent to National Highway System routes or connections to the National Highway System selected in accordance with paragraph (2).

''(O) Infrastructure-based intelligent transportation systems capital improvements.

''(P) In the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, any project eligible for funding under section 133, any airport, and any seaport.

''(Q) Publicly owned components of magnetic levitation transportation systems.''.

SEC. 1235. ELIGIBILITY OF PROJECTS UNDER THE SURFACE TRANSPORTATION PROGRAM.

Section 133(b) of title 23, United States Code (as amended by section 1232(c)), is amended—

(1) in paragraph (2), by striking ''and publicly owned intracity or intercity bus terminals and facilities'' and inserting '', including vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus or rail'';

(2) in paragraph (3)—

(A) by striking ''and bicycle'' and inserting ''bicycle''; and

(B) by inserting before the period at the end the following: '', and the modification of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)'';

(3) in paragraph (4)—

(A) by inserting '', publicly owned passenger rail,'' after ''Highway'';

(B) by inserting ''infrastructure'' after ''safety''; and

(C) by inserting before the period at the end the following: '', and any other noninfrastructure highway safety improvements'';

(4) in the first sentence of paragraph (11)—

(A) by inserting ''natural habitat and'' after ''participation in'' each place it appears;

(B) by striking ''enhance and create'' and inserting ''enhance, and create natural habitats and''; and

(C) by inserting ''natural habitat and'' before ''wetlands conservation''; and

(5) by adding at the end the following:

''(13) Publicly owned intercity passenger rail infrastructure, including infrastructure owned by the National Railroad Passenger Corporation.

''(14) Publicly owned passenger rail vehicles, including vehicles owned by the National Railroad Passenger Corporation.

''(15) Infrastructure-based intelligent transportation systems capital improvements.

''(16) Publicly owned components of magnetic levitation transportation systems.

''(17) Environmental restoration and pollution abatement projects (including the retrofit or construction of storm water treatment systems) to address water pollution or environmental degradation caused or contributed to by transportation facilities, which projects shall be carried out when the transportation facilities are undergoing reconstruction, rehabilitation, resurfacing, or restoration; except that the expenditure of funds under this section for any such environmental restoration or pollution abatement project shall not exceed 20 percent of the total cost of the reconstruction, rehabilitation, resurfacing, or restoration project.''.

SEC. 1236. DESIGN FLEXIBILITY.

Section 109 of title 23, United States Code, is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—

''(1) REQUIREMENTS FOR FACILITIES.—The Secretary shall ensure that the plans and specifications for each proposed highway project under this chapter provide for a facility that will—

''(A) adequately serve the existing traffic of the highway in a manner that is conducive to safety, durability, and economy of maintenance; and

''(B) be designed and constructed in accordance with criteria best suited to accomplish the objectives described in subparagraph (A) and to conform to the particular needs of each locality.

''(2) CONSIDERATION OF PLANNED FUTURE TRAFFIC DEMANDS.—In carrying out paragraph (1), the Secretary shall ensure the consideration of the planned future traffic demands of the facility.''.

Subtitle C—Finance

CHAPTER 1—GENERAL PROVISIONS

SEC. 1301. STATE INFRASTRUCTURE BANK PROGRAM.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''§ 162. State infrastructure bank program

''(a) DEFINITIONS.—In this section:

''(1) OTHER ASSISTANCE.—The term 'other assistance' includes any use of funds in an infrastructure bank—

''(A) to provide credit enhancements;

''(B) to serve as a capital reserve for bond or debt instrument financing;

''(C) to subsidize interest rates;

''(D) to ensure the issuance of letters of credit and credit instruments;

''(E) to finance purchase and lease agreements with respect to transit projects;

''(F) to provide bond or debt financing instrument security; and

''(G) to provide other forms of debt financing and methods of leveraging funds that are approved by the Secretary and that relate to the project with respect to which the assistance is being provided.

''(2) STATE.—The term 'State' has the meaning given the term under section 401.

''(b) COOPERATIVE AGREEMENTS.—

''(1) IN GENERAL.—

''(A) PURPOSE OF AGREEMENTS.—Subject to this section, the Secretary may enter into cooperative agreements with States for the establishment of State infrastructure banks

and multistate infrastructure banks for making loans and providing other assistance to public and private entities carrying out or proposing to carry out projects eligible for assistance under this section.

''(B) CONTENTS OF AGREEMENTS.—Each cooperative agreement shall specify procedures and guidelines for establishing, operating, and providing assistance from the infrastructure bank.

''(2) INTERSTATE COMPACTS.—If 2 or more States enter into a cooperative agreement under paragraph (1) with the Secretary for the establishment of a multistate infrastructure bank, Congress grants consent to those States to enter into an interstate compact establishing the bank in accordance with this section.

''(c) FUNDING.—

''(1) CONTRIBUTION.—Notwithstanding any other provision of law, the Secretary may allow, subject to subsection (h)(1), a State that enters into a cooperative agreement under this section to contribute to the infrastructure bank established by the State not to exceed—

''(A)(i) the total amount of funds apportioned to the State under each of paragraphs (1) and (3) of section 104(b), excluding funds set aside under paragraphs (1) and (2) of section 133(d); and

''(ii) the total amount of funds allocated to the State under section 105;

''(B) the total amount of funds made available to the State or other Federal transit grant recipient for capital projects (as defined in section 5302 of title 49) under sections 5307, 5309, and 5311 of title 49; and

''(C) the total amount of funds made available to the State under subtitle V of title 49.

AMENDMENT NO. 1494

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

SUBTITLE A—GENERAL PROVISIONS

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $11,013,799,000 for fiscal year 1998, $10,820,000,000 for fiscal year 1999, $10,829,000,000 for fiscal year 2000, $10,929,000,000 for fiscal year 2001, $11,213,799,000 for fiscal year 2002, and $11,675,799,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $6,437,055,000 for fiscal year 1998, $6,441,000,000 for fiscal year 1999, $6,483,000,000 for fiscal year 2000, $6,521,000,000 for fiscal year 2001, $6,669,000,000 for fiscal year 2002, and $6,872,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,057,698,000 for fiscal year 1998, $1,058,698,000 for fiscal year 1999, $1,064,699,000 for fiscal year 2000, $1,074,600,000 for fiscal year 2001, $1,098,000,000 for fiscal year 2002, and $1,127,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title.''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 145 percent, and, in the case of each of fiscal years 1999 through 2003, 145 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall apportion to each State such additional amounts as are necessary to ensure that—

(i) the total apportionments to the State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of paragraph (3); is equal to

(ii) the greater of—

(I) the product determined with respect to the State under paragraph (1)(E); or

(II) the total apportionments to the State for fiscal year 1997 for all Federal-aid highway programs, excluding—

(aa) apportionments for the Federal lands highways program under section 204 of title 23, United States Code;

(bb) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943).

(B) OBLIGATION.—Amounts apportioned under subparagraph (A)—

(i) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(I) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(II) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

AMENDMENT NO. 1495

Beginning on page 5, strike line 1 and all that follows through page 22, line 24, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $11,424,851,000 for fiscal year 1998, $11,254,000,000 for fiscal year 1999, $11,284,000,000 for fiscal year 2000, $11,384,000,000 for fiscal year 2001, $11,620,000,000 for fiscal year 2002, and $12,110,000,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title;

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

AMENDMENT NO. 1496

Beginning on page 5, strike line 1 and all that follows through page 23, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $11,492,988,000 for fiscal year 1998, $11,320,000,000 for fiscal year 1999, $11,330,000,000 for fiscal year 2000, $11,420,000,000 for fiscal year 2001, $11,730,000,000 for fiscal year 2002, and $12,230,000,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative

Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 115 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and

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AMENDMENT NO. 1497

Beginning on page 5, strike line 1 and all that follows through page 25, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,291,156,000 for fiscal year 1998, $12,118,156,000 for fiscal year 1999, $12,129,456,000 for fiscal year 2000, $12,240,456,000 for fiscal year 2001, $12,566,456,000 for fiscal year 2002, and $13,096,456,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,183,601,000 for fiscal year 1998, $7,197,601,000 for fiscal year 1999, $7,239,601,000 for fiscal year 2000, $7,296,601,000 for fiscal year 2001, $7,446,601,000 for fiscal year 2002, and $7,667,601,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,836,000 for fiscal year 1998, $1,152,836,000 for fiscal year 1999, $1,159,836,000 for fiscal year 2000, $1,169,836,000 for fiscal year 2001, $1,193,836,000 for fiscal year 2002, and $1,231,836,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title.''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title;

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 130 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 130 percent, and, in the case of each of fiscal years 1999 through 2003, 130 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

AMENDMENT NO. 1498

Beginning on page 5, strike line 1 and all that follows through page 29, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $11,149,630,000 for fiscal year 1998, $10,978,630,000 for fiscal year 1999, $10,989,930,000 for fiscal year 2000, $11,089,930,000 for fiscal year 2001, $11,417,930,000 for fiscal year 2002, and $11,953,930,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105

of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 145 percent, and, in the case of each of fiscal years 1999 through 2003, 145 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall apportion to each State such additional amounts as are necessary to ensure that—

(i) the total apportionments to the State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of paragraph (3); is equal to

(ii) the greater of—

(I) the product determined with respect to the State under paragraph (1)(E); or

(II) the total apportionments to the State for fiscal year 1997 for all Federal-aid highway programs, excluding—

(aa) apportionments for the Federal lands highways program under section 204 of title 23, United States Code;

(bb) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943); and

(cc) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240).

(B) OBLIGATION.—Amounts apportioned under subparagraph (A)—

(i) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(I) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(II) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(ii) shall be available for any purpose eligible for funding under section 133 of that title; and

(iii) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(C) AUTHORIZATION OF CONTRACT AUTHORITY.—

(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this paragraph.

(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(d) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

"§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that—

''(A) the ratio that—

''(i) each State's percentage of the total apportionments for the fiscal year—

''(I) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

''(II) under section 204 for the Federal lands highways program; and

''(III) under this section and section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; bears to

''(ii) each State's percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available;''.

AMENDMENT NO. 1499

Beginning on page 5, strike line 1 and all that follows through page 106, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $12,053,000,000 for fiscal year 1998, $11,882,000,000 for fiscal year 1999, $11,893,000,000 for fiscal year 2000, $11,990,000,000 for fiscal year 2001, * * * for fiscal year 2002, and $12,850,000,000 for fiscal year 2003, of which—

(A) $4,637,000,000 for fiscal year 1998, $4,645,000,000 for fiscal year 1999, $4,674,000,000 for fiscal year 2000, $4,711,000,000 for fiscal year 2001, $4,810,000,000 for fiscal year 2002, and $4,955,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,437,000,000 for fiscal year 1998, $1,440,000,000 for fiscal year 1999, $1,448,000,000 for fiscal year 2000, $1,460,000,000 for fiscal year 2001, $1,490,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years

1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 145 percent, and, in the case of each of fiscal years 1999 through 2003, 145 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall apportion to each State such additional amounts as are necessary to ensure that—

(i) the total apportionments to the State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of paragraph (3); is equal to

(ii) the greater of—

(I) the product determined with respect to the State under paragraph (1)(E); or

(II) the total apportionments to the State for fiscal year 1997 for all Federal-aid highway programs, excluding—

(aa) apportionments for the Federal lands highways program under section 204 of title 23, United States Code;

(bb) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943); and

(cc) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240).

(B) OBLIGATION.—Amounts apportioned under subparagraph (A)—

(i) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(I) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(II) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(ii) shall be available for any purpose eligible for funding under section 133 of that title; and

(iii) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(C) AUTHORIZATION OF CONTRACT AUTHORITY.—

(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this paragraph.

(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(d) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

"§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that—

''(A) the ratio that—

''(i) each State's percentage of the total apportionments for the fiscal year—

''(I) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) under this section and section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; bears to

''(ii) each State's percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available;

is not less than 0.90; and

''(B) in the case of a State specified in paragraph (2), the State's percentage of the total apportionments for the fiscal year described in subclauses (I) and (II) of subparagraph (A)(i) is—

''(i) not less than the percentage specified for the State in paragraph (2); but

''(ii) not greater than the product determined for the State under section 1102(c)(1)(D) of the Intermodal Surface Transportation Efficiency Act of 1997 for the fiscal year.

''(2) STATE PERCENTAGES.—The percentage referred to in paragraph (1)(B) for a specified State shall be determined in accordance with the following table:

"State	Percentage
Alaska	1.24
Arkansas	1.33
Delaware	0.47
Hawaii	0.55
Idaho	0.82
Montana	1.06
Nevada	0.73
New Hampshire	0.52
New Jersey	2.41
New Mexico	1.05
North Dakota	0.73
Rhode Island	0.58
South Dakota	0.78
Vermont	0.47
Wyoming	0.76.

''(b) TREATMENT OF ALLOCATIONS.—

''(1) OBLIGATION.—Amounts allocated under subsection (a)—

''(A) shall be available for obligation when allocated and shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are allocated; and

''(B) shall be available for any purpose eligible for funding under this title.

''(2) SET-ASIDE.—Fifty percent of the amounts allocated under subsection (a) shall be subject to section 133(d)(3).

''(c) TREATMENT OF WITHHELD APPORTIONMENTS.—For the purpose of subsection (a), any funds that, but for section 158(b) or any other provision of law under which Federal-aid highway funds are withheld from apportionment, would be apportioned to a State for a fiscal year under a section referred to in subsection (a) shall be treated as being apportioned in that fiscal year.

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this section.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 105 and inserting the following:

''105. Minimum guarantee.''.

(e) AUDITS OF HIGHWAY TRUST FUND.—Section 104 of title 23, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) AUDITS OF HIGHWAY TRUST FUND.—From available administrative funds deducted under subsection (a), the Secretary may reimburse the Office of Inspector General of the Department of Transportation for

the conduct of annual audits of financial statements in accordance with section 3521 of title 31.''.

(f) TECHNICAL AMENDMENTS.—Section 104 of title 23, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting ''NOTIFICATION TO STATES.—'' after ''(e)'';

(B) in the first sentence—

(i) by striking ''(other than under subsection (b)(5) of this section)''; and

(ii) by striking ''and research'';

(C) by striking the second sentence; and

(D) in the last sentence, by striking '', except that'' and all that follows through ''such funds''; and

(2) in subsection (f)—

(A) by striking ''(f)(1) On'' and inserting the following:

''(f) METROPOLITAN PLANNING.—

''(1) SET-ASIDE.—On'';

(B) by striking ''(2) These'' and inserting the following:

''(2) APPORTIONMENT TO STATES OF SET-ASIDE FUNDS.—These'';

(C) by striking ''(3) The'' and inserting the following:

''(3) USE OF FUNDS.—The''; and

(D) by striking ''(4) The'' and inserting the following:

''(4) DISTRIBUTION OF FUNDS WITHIN STATES.—The''.

(g) CONFORMING AMENDMENTS.—

(1) Section 146(a) of title 23, United States Code, is amended in the first sentence by striking '', 104(b)(2), and 104(b)(6)'' and inserting ''and 104(b)(2)''.

(2)(A) Section 150 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 150.

(3) Section 158 of title 23, United States Code, is amended—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated)—

(I) by striking ''AFTER THE FIRST YEAR'' and inserting ''IN GENERAL''; and

(II) by striking '', 104(b)(2), 104(b)(5), and 104(b)(6)'' and inserting ''and 104(b)(2)''; and

(iv) in paragraph (2) (as redesignated by clause (ii)), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(B) by striking subsection (b) and inserting the following:

''(b) EFFECT OF WITHHOLDING OF FUNDS.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to that State.''.

(4)(A) Section 157 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 157.

(5)(A) Section 115(b)(1) of title 23, United States Code, is amended by striking ''or 104(b)(5), as the case may be,''.

(B) Section 137(f)(1) of title 23, United States Code, is amended by striking ''section 104(b)(5)(B) of this title'' and inserting ''section 104(b)(1)(A)''.

(C) Section 141(c) of title 23, United States Code, is amended by striking ''section 104(b)(5) of this title'' each place it appears and inserting ''section 104(b)(1)(A)''.

(D) Section 142(c) of title 23, United States Code, is amended by striking ''(other than section 104(b)(5)(A))''.

(E) Section 159 of title 23, United States Code, is amended—

(i) by striking ''(5) of'' each place it appears and inserting ''(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997) of''; and

(ii) in subsection (b)—

(I) in paragraphs (1)(A)(i) and (3)(A), by striking ''section 104(b)(5)(A)'' each place it appears and inserting ''section 104(b)(5)(A) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(II) in paragraph (1)(A)(ii), by striking ''section 104(b)(5)(B)'' and inserting ''section 104(b)(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(III) in paragraph (3)(B), by striking ''(5)(B)'' and inserting ''(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(IV) in paragraphs (3) and (4), by striking ''section 104(b)(5)'' each place it appears and inserting ''section 104(b)(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

(F) Section 161(a) of title 23, United States Code, is amended by striking ''paragraphs (1), (3), and (5)(B) of section 104(b)'' each place it appears and inserting ''paragraphs (1) and (3) of section 104(b)''.

(6)(A) Section 104(g) of title 23, United States Code, is amended—

(i) in the first sentence, by striking ''sections 130, 144, and 152 of this title'' and inserting ''subsection (b)(1)(B) and sections 130 and 152'';

(ii) in the first and second sentences—

(I) by striking ''section'' and inserting ''provision''; and

(II) by striking ''such sections'' and inserting ''those provisions''; and

(iii) in the third sentence—

(I) by striking ''section 144'' and inserting ''subsection (b)(1)(B)''; and

(II) by striking ''subsection (b)(1)'' and inserting ''subsection (b)(1)(C)''.

(B) Section 115 of title 23, United States Code, is amended—

(i) in subsection (a)(1)(A)(i), by striking ''104(b)(2), 104(b)(3), 104(f), 144,'' and inserting ''104(b)(1)(B), 104(b)(2), 104(b)(3), 104(f),''; and

(ii) in subsection (c), by striking ''144,,''.

(C) Section 120(e) of title 23, United States Code, is amended in the last sentence by striking ''and in section 144 of this title''.

(D) Section 151(d) of title 23, United States Code, is amended by striking ''section 104(a), section 307(a), and section 144 of this title'' and inserting ''subsections (a) and (b)(1)(B) of section 104 and section 307(a)''.

(E) Section 204(c) of title 23, United States Code, is amended in the first sentence by striking ''or section 144 of this title''.

(F) Section 303(g) of title 23, United States Code, is amended by striking ''section 144 of this title'' and inserting ''section 104(b)(1)(B)''.

SEC. 1103. OBLIGATION CEILING.

(a) GENERAL LIMITATIONS.—Subject to the other provisions of this section and notwithstanding any other provision of law, the total amount of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $21,800,000,000 for fiscal year 1998;

(2) $22,802,000,000 for fiscal year 1999;

(3) $22,939,000,000 for fiscal year 2000;

(4) $23,183,000,000 for fiscal year 2001;

(5) $23,699,000,000 for fiscal year 2002; and

(6) $24,548,000,000 for fiscal year 2003.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The limitations under subsection (a) shall not apply to obligations of funds under—

(A) section 105(a) of title 23, United States Code (but, for each of fiscal years 1998 through 2003, only in an amount equal to the amount included for section 157 of title 23, United States Code, in the baseline determined by the Congressional Budget Office for the fiscal year 1998 budget), excluding amounts allocated under section 105(a)(1)(B) of that title;

(B) section 125 of that title;

(C) section 157 of that title (as in effect on the day before the date of enactment of this Act);

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(F) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(G) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198); and

(H) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

(2) EFFECT OF OTHER LAW.—A provision of law establishing a limitation on obligations for Federal-aid highways and highway safety construction programs may not amend or limit the applicability of this subsection, unless the provision specifically amends or limits that applicability.

(c) APPLICABILITY TO TRANSPORTATION RESEARCH PROGRAMS.—Obligation limitations for Federal-aid highways and highway safety construction programs established by subsection (a) shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code.

(d) OBLIGATION AUTHORITY.—Section 118 of title 23, United States Code, is amended by adding at the end the following:

''(g) OBLIGATION AUTHORITY.—

''(1) DISTRIBUTION.—For each fiscal year, the Secretary shall—

''(A) distribute the total amount of obligation authority for Federal-aid highways and highway safety construction programs made available for the fiscal year by allocation in the ratio that—

''(i) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to each State for the fiscal year; bears to

''(ii) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to all States for the fiscal year;

''(B) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State; and

''(C) notwithstanding subparagraphs (A) and (B), not distribute—

''(i) amounts deducted under section 104(a) for administrative expenses;

''(ii) amounts set aside under section 104(k) for Interstate 4R and bridge projects;

''(iii) amounts made available under sections 143, 164, 165, 204, 206, 207, and 322;

''(iv) amounts made available under section 111 of title 49;

''(v) amounts made available under section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.);

''(vi) amounts made available under section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938);

''(vii) amounts made available under sections 1503, 1603, and 1604 of the Intermodal Surface Transportation Efficiency Act of 1997;

''(viii) amounts made available under section 149(d) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 201);

''(ix) amounts made available under section 105(a)(1)(A) to the extent that the amounts are subject to any obligation limitation under section 1103(a) of the Intermodal Surface Transportation Efficiency Act of 1997;

''(x) amounts made available for implementation of programs under chapter 5 of this title and sections 5222, 5232, and 5241 of title 49; and

''(xi) amounts made available under section 412 of the Woodrow Wilson Memorial Bridge Authority Act of 1995.

''(2) REDISTRIBUTION.—Notwithstanding paragraph (1), the Secretary shall, after August 1 of each of fiscal years 1998 through 2003—

''(A) revise a distribution of the funds made available under paragraph (1) for the fiscal year if a State will not obligate the amount distributed during the fiscal year; and

''(B) redistribute sufficient amounts to those States able to obligate amounts in addition to the amounts previously distributed during the fiscal year, giving priority to those States that have large unobligated balances of funds apportioned under section 104 and under section 144 (as in effect on the day before the date of enactment of this subparagraph).''.

(e) APPLICABILITY OF OBLIGATION LIMITATIONS.—An obligation limitation established by a provision of any other Act shall not apply to obligations under a program funded under this Act or title 23, United States Code, unless—

(1) the provision specifically amends or limits the applicability of this subsection; or

(2) an obligation limitation is specified in this Act with respect to the program.

SEC. 1104. OBLIGATION AUTHORITY UNDER SURFACE TRANSPORTATION PROGRAM.

Section 133 of title 23, United States Code, is amended by striking subsection (f) and inserting the following:

''(f) OBLIGATION AUTHORITY.—

''(1) IN GENERAL.—A State that is required to obligate in an urbanized area with an urbanized area population of over 200,000 individuals under subsection (d) funds apportioned to the State under section 104(b)(3) shall make available during the 3-fiscal year period of 1998 through 2000, and the 3-fiscal year period of 2001 through 2003, an amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs for use in the area that is equal to the amount obtained by multiplying—

''(A) the aggregate amount of funds that the State is required to obligate in the area under subsection (d) during each such period; by

''(B) the ratio that—

''(i) the aggregate amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs during the period; bears to

''(ii) the total of the sums apportioned to the State for Federal-aid highways and highway safety construction programs (excluding sums not subject to an obligation limitation) during the period.

''(2) JOINT RESPONSIBILITY.—Each State, each affected metropolitan planning organization, and the Secretary shall jointly ensure compliance with paragraph (1).''.

SEC. 1105. EMERGENCY RELIEF.

(a) FEDERAL SHARE.—Section 120(e) of title 23, United States Code, is amended in the first sentence by striking ''highway system'' and inserting ''highway''.

(b) ELIGIBILITY AND FUNDING.—Section 125 of title 23, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively;

(3) by inserting after the section heading the following:

''(a) GENERAL ELIGIBILITY.—Subject to this section and section 120, an emergency fund is authorized for expenditure by the Secretary for the repair or reconstruction of highways, roads, and trails, in any part of the United States, including Indian reservations, that the Secretary finds have suffered serious damage as a result of—

''(1) natural disaster over a wide area, such as by a flood, hurricane, tidal wave, earthquake, severe storm, or landslide; or

''(2) catastrophic failure from any external cause.

''(b) RESTRICTION ON ELIGIBILITY.—In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges that have been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to a structural deficiency or physical deterioration.

''(c) FUNDING.—Subject to the following limitations, there are hereby authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) such sums as may be necessary to establish the fund authorized by this section and to replenish it on an annual basis:

''(1) Not more than $100,000,000 is authorized to be obligated in any 1 fiscal year commencing after September 30, 1980, to carry out the provisions of this section, except that, if in any fiscal year the total of all obligations under this section is less than the amount authorized to be obligated in such fiscal year, the unobligated balance of such amount shall remain available until expended and shall be in addition to amounts otherwise available to carry out this section each year.

''(2) Pending such appropriation or replenishment, the Secretary may obligate from any funds heretofore or hereafter appropriated for obligation in accordance with this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, provided that such funds are reimbursed from the appropriations authorized in paragraph (1) of this subsection when such appropriations are made.'';

(4) in subsection (d) (as so redesignated), by striking ''subsection (c)'' both places it appears and inserting ''subsection (e)''; and

(5) in subsection (e) (as so redesignated), by striking ''on any of the Federal-aid highway systems'' and inserting ''Federal-aid highways''.

(c) SAN MATEO COUNTY, CALIFORNIA.—Notwithstanding any other provision of law, a project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, that—

(1) was destroyed as a result of a combination of storms in the winter of 1982–1983 and a mountain slide; and

(2) until its destruction, served as the only reasonable access route between 2 cities and as the designated emergency evacuation route of 1 of the cities;

shall be eligible for assistance under section 125(a) of title 23, United States Code, if the project complies with the local coastal plan.

SEC. 1106. FEDERAL LANDS HIGHWAYS PROGRAM.

(a) FEDERAL SHARE PAYABLE.—Section 120 of title 23, United States Code, is amended by adding at the end the following:

''(j) USE OF FEDERAL LAND MANAGEMENT AGENCY FUNDS.—Notwithstanding any other provision of law, the funds appropriated to any Federal land management agency may be used to pay the non-Federal share of the cost of any Federal-aid highway project the Federal share of which is funded under section 104.

''(k) USE OF FEDERAL LANDS HIGHWAYS PROGRAM FUNDS.—Notwithstanding any other provision of law, the funds made available to carry out the Federal lands highways program under section 204 may be used to pay the non-Federal share of the cost of any project that is funded under section 104 and that provides access to or within Federal or Indian lands.''.

(b) AVAILABILITY OF FUNDS.—Section 203 of title 23, United States Code, is amended by adding at the end the following: ''Notwithstanding any other provision of law, the authorization by the Secretary of engineering and related work for a Federal lands highways program project, or the approval by the Secretary of plans, specifications, and estimates for construction of a Federal lands highways program project, shall be deemed to constitute a contractual obligation of the Federal Government to the pay the Federal share of the cost of the project.''.

(c) PLANNING AND AGENCY COORDINATION.—Section 204 of title 23, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Recognizing the need for all Federal roads that are public roads to be treated under uniform policies similar to the policies that apply to Federal-aid highways, there is established a coordinated Federal lands highways program that shall apply to public lands highways, park roads and parkways, and Indian reservation roads and bridges.

''(2) TRANSPORTATION PLANNING PROCEDURES.—In consultation with the Secretary of each appropriate Federal land management agency, the Secretary shall develop, by rule, transportation planning procedures that are consistent with the metropolitan and statewide planning processes required under sections 134 and 135.

''(3) APPROVAL OF TRANSPORTATION IMPROVEMENT PROGRAM.—The transportation improvement program developed as a part of the transportation planning process under this section shall be approved by the Secretary.

''(4) INCLUSION IN OTHER PLANS.—All regionally significant Federal lands highways program projects—

''(A) shall be developed in cooperation with States and metropolitan planning organizations; and

''(B) shall be included in appropriate Federal lands highways program, State, and metropolitan plans and transportation improvement programs.

''(5) INCLUSION IN STATE PROGRAMS.—The approved Federal lands highways program transportation improvement program shall be included in appropriate State and metropolitan planning organization plans and programs without further action on the transportation improvement program.

''(6) DEVELOPMENT OF SYSTEMS.—The Secretary and the Secretary of each appropriate Federal land management agency shall, to the extent appropriate, develop safety, bridge, pavement, and congestion management systems for roads funded under the Federal lands highways program.'';

(2) in subsection (b), by striking the first 3 sentences and inserting the following: ''Funds available for public lands highways, park roads and parkways, and Indian reservation roads shall be used by the Secretary and the Secretary of the appropriate Federal land management agency to pay for the cost of transportation planning, research, engineering, and construction of the highways,

roads, and parkways, or of transit facilities within public lands, national parks, and Indian reservations. In connection with activities under the preceding sentence, the Secretary and the Secretary of the appropriate Federal land management agency may enter into construction contracts and other appropriate contracts with a State or civil subdivision of a State or Indian tribe.'';

(3) in the first sentence of subsection (e), by striking ''Secretary of the Interior'' and inserting ''Secretary of the appropriate Federal land management agency'';

(4) in subsection (h), by adding at the end the following:

''(8) A project to build a replacement of the federally owned bridge over the Hoover Dam in the Lake Mead National Recreation Area between Nevada and Arizona.'';

(5) by striking subsection (i) and inserting the following:

''(i) TRANSFERS OF COSTS TO SECRETARIES OF FEDERAL LAND MANAGEMENT AGENCIES.—

''(1) ADMINISTRATIVE COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay necessary administrative costs of the agency in connection with public lands highways.

''(2) TRANSPORTATION PLANNING COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay the cost to the agency to conduct necessary transportation planning for Federal lands, if funding for the planning is not otherwise provided under this section.''; and

(6) in subsection (j), by striking the second sentence and inserting the following: ''The Indian tribal government, in cooperation with the Secretary of the Interior, and as appropriate, with a State, local government, or metropolitan planning organization, shall carry out a transportation planning process in accordance with subsection (a).''.

SEC. 1107. RECREATIONAL TRAILS PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code, is amended by inserting after section 205 the following:

''§ 206. Recreational trails program

''(a) DEFINITIONS.—

''(1) MOTORIZED RECREATION.—The term 'motorized recreation' means off-road recreation using any motor-powered vehicle, except for a motorized wheelchair.

''(2) RECREATIONAL TRAIL; TRAIL.—The term 'recreational trail' or 'trail' means a thoroughfare or track across land or snow, used for recreational purposes such as—

''(A) pedestrian activities, including wheelchair use;

''(B) skating or skateboarding;

''(C) equestrian activities, including carriage driving;

''(D) nonmotorized snow trail activities, including skiing;

''(E) bicycling or use of other human-powered vehicles;

''(F) aquatic or water activities; and

''(G) motorized vehicular activities, including all-terrain vehicle riding, motorcycling, snowmobiling, use of off-road light trucks, or use of other off-road motorized vehicles.

''(b) PROGRAM.—In accordance with this section, the Secretary, in consultation with the Secretary of the Interior and the Secretary of Agriculture, shall carry out a program to provide and maintain recreational trails (referred to in this section as the 'program').

''(c) STATE RESPONSIBILITIES.—To be eligible for apportionments under this section—

''(1) a State may use apportionments received under this section for construction of new trails crossing Federal lands only if the construction is—

''(A) permissible under other law;

''(B) necessary and required by a statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) approved by the administering agency of the State designated under paragraph (2); and

''(D) approved by each Federal agency charged with management of the affected lands, which approval shall be contingent on compliance by the Federal agency with all applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.);

''(2) the Governor of a State shall designate the State agency or agencies that will be responsible for administering apportionments received under this section; and

''(3) the State shall establish within the State a State trail advisory committee that represents both motorized and nonmotorized trail users.

''(d) USE OF APPORTIONED FUNDS.—

''(1) IN GENERAL.—Funds made available under this section shall be obligated for trails and trail-related projects that—

''(A) have been planned and developed under the laws, policies, and administrative procedures of each State; and

''(B) are identified in, or further a specific goal of, a trail plan or trail plan element included or referenced in a metropolitan transportation plan required under section 134 or a statewide transportation plan required under section 135, consistent with the statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.).

''(2) PERMISSIBLE USES.—Permissible uses of funds made available under this section include—

''(A) maintenance and restoration of existing trails;

''(B) development and rehabilitation of trailside and trailhead facilities and trail linkages;

''(C) purchase and lease of trail construction and maintenance equipment;

''(D) construction of new trails;

''(E) acquisition of easements and fee simple title to property for trails or trail corridors;

''(F) payment of costs to the State incurred in administering the program, but in an amount not to exceed 7 percent of the apportionment received by the State for a fiscal year; and

''(G) operation of educational programs to promote safety and environmental protection as these objectives relate to the use of trails.

''(3) USE OF APPORTIONMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), and (D), of the apportionments received for a fiscal year by a State under this section—

''(i) 40 percent shall be used for trail or trail-related projects that facilitate diverse recreational trail use within a trail corridor, trailside, or trailhead, regardless of whether the project is for diverse motorized use, for diverse nonmotorized use, or to accommodate both motorized and nonmotorized recreational trail use;

''(ii) 30 percent shall be used for uses relating to motorized recreation; and

''(iii) 30 percent shall be used for uses relating to nonmotorized recreation.

''(B) SMALL STATE EXCLUSION.—Any State with a total land area of less than 3,500,000 acres, and in which nonhighway recreational fuel use accounts for less than 1 percent of all such fuel use in the United States, shall be exempted from the requirements of subparagraph (A) upon application to the Secretary by the State demonstrating that the State meets the conditions of this subparagraph.

''(C) WAIVER AUTHORITY.—Upon the request of a State trail advisory committee established under subsection (c)(3), the Secretary may waive, in whole or in part, the requirements of subparagraph (A) with respect to the State if the State certifies to the Secretary that the State does not have sufficient projects to meet the requirements of subparagraph (A).

''(D) STATE ADMINISTRATIVE COSTS.—State administrative costs eligible for funding under paragraph (2)(F) shall be exempt from the requirements of subparagraph (A).

''(e) ENVIRONMENTAL BENEFIT OR MITIGATION.—To the extent practicable and consistent with the other requirements of this section, a State should give consideration to project proposals that provide for the redesign, reconstruction, nonroutine maintenance, or relocation of trails to benefit the natural environment or to mitigate and minimize the impact to the natural environment.

''(f) FEDERAL SHARE.—

''(1) IN GENERAL.—Subject to the other provisions of this subsection, the Federal share of the cost of a project under this section shall not exceed 80 percent.

''(2) FEDERAL AGENCY PROJECT SPONSOR.—Notwithstanding any other provision of law, a Federal agency that sponsors a project under this section may contribute additional Federal funds toward the cost of a project, except that—

''(A) the share attributable to the Secretary of Transportation may not exceed 80 percent; and

''(B) the share attributable to the Secretary and the Federal agency jointly may not exceed 95 percent.

''(3) USE OF FUNDS FROM FEDERAL PROGRAMS TO PROVIDE NON-FEDERAL SHARE.—Notwithstanding any other provision of law, amounts made available by the Federal Government under any Federal program that are—

''(A) expended in accordance with the requirements of the Federal program relating to activities funded and populations served; and

''(B) expended on a project that is eligible for assistance under this section;

may be credited toward the non-Federal share of the cost of the project.

''(4) PROGRAMMATIC NON-FEDERAL SHARE.—A State may allow adjustments to the non-Federal share of an individual project under this section if the Federal share of the cost of all projects carried out by the State under the program (excluding projects funded under paragraph (2) or (3)) using funds apportioned to the State for a fiscal year does not exceed 80 percent.

''(5) STATE ADMINISTRATIVE COSTS.—The Federal share of the administrative costs of a State under this subsection shall be determined in accordance with section 120(b).

''(g) USES NOT PERMITTED.—A State may not obligate funds apportioned under this section for—

''(1) condemnation of any kind of interest in property;

''(2) construction of any recreational trail on National Forest System land for any motorized use unless—

''(A) the land has been apportioned for uses other than wilderness by an approved forest land and resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved forest land and resource management plan;

''(3) construction of any recreational trail on Bureau of Land Management land for any motorized use unless the land—

''(A) has been apportioned for uses other than wilderness by an approved Bureau of Land Management resource management plan or has been released to uses other than wildernessK by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved management plan; or

''(4) upgrading, expanding, or otherwise facilitating motorized use or access to trails predominantly used by nonmotorized trail users and on which, as of May 1, 1991, motorized use is prohibited or has not occurred.

''(h) PROJECT ADMINISTRATION.—

''(1) CREDIT FOR DONATIONS OF FUNDS, MATERIALS, SERVICES, OR NEW RIGHT-OF-WAY.—

''(A) IN GENERAL.—Nothing in this title or other law shall prevent a project sponsor from offering to donate funds, materials, services, or a new right-of-way for the purposes of a project eligible for assistance under this section. Any funds, or the fair market value of any materials, services, or new right-of-way, may be donated by any project sponsor and shall be credited to the non-Federal share in accordance with subsection (f).

''(B) FEDERAL PROJECT SPONSORS.—Any funds or the fair market value of any materials or services may be provided by a Federal project sponsor and shall be credited to the Federal agency's share in accordance with subsection (f).

''(2) RECREATIONAL PURPOSE.—A project funded under this section is intended to enhance recreational opportunity and is not subject to section 138 of this title or section 303 of title 49.

''(3) CONTINUING RECREATIONAL USE.—At the option of each State, funds made available under this section may be treated as Land and Water Conservation Fund apportionments for the purposes of section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(f)(3)).

''(4) COOPERATION BY PRIVATE PERSONS.—

''(A) WRITTEN ASSURANCES.—As a condition of making available apportionments for work on recreational trails that would affect privately owned land, a State shall obtain written assurances that the owner of the land will cooperate with the State and participate as necessary in the activities to be conducted.

''(B) PUBLIC ACCESS.—Any use of the apportionments to a State under this section on privately owned land must be accompanied by an easement or other legally binding agreement that ensures public access to the recreational trail improvements funded by the apportionments.

''(i) APPORTIONMENT.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State that meets the requirements of subsection (c).

''(2) APPORTIONMENT.—Subject to subsection (j), for each fiscal year, the Secretary shall apportion—

''(A) 50 percent of the amounts made available to carry out this section equally among eligible States; and

''(B) 50 percent of the amounts made available to carry out this section among eligible States in proportion to the quantity of nonhighway recreational fuel used in each eligible State during the preceding year.

''(j) ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—Whenever an apportionment is made under subsection (i) of the amounts made available to carry out this section, the Secretary shall first deduct an amount, not to exceed 1 percent of the authorized amounts, to pay the costs to the Secretary for administration of, and research authorized under, the program.

''(2) USE OF CONTRACTS.—To carry out research funded under paragraph (1), the Secretary may—

''(A) enter into contracts with for-profit organizations; and

''(B) enter into contracts, partnerships, or cooperative agreements with other government agencies, institutions of higher learning, or nonprofit organizations.

''(k) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $17,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, $22,000,000 for fiscal year 2000, $23,000,000 for fiscal year 2001, $24,000,000 for fiscal year 2002, and $25,000,000 for fiscal year 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that the Federal share of the cost of a project under this section shall be determined in accordance with this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The Intermodal Surface Transportation Efficiency Act of 1991 is amended by striking part B of title I (16 U.S.C. 1261 et seq.).

(2) The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 206 and inserting the following:

''206. Recreational trails program.''.

SEC. 1108. VALUE PRICING PILOT PROGRAM.

(a) IN GENERAL.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in the subsection heading, by striking ''CONGESTION'' and inserting ''VALUE''; and

(2) in paragraph (1), by striking ''congestion'' each place it appears and inserting ''value''.

(b) INCREASED NUMBER OF PROJECTS.—Section 1012(b)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence by striking ''5'' and inserting ''15''.

(c) ELIGIBILITY OF PREIMPLEMENTATION COSTS.— Section 1012(b)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence—

(1) by inserting after ''Secretary shall fund'' the following: ''all preimplementation costs and project design, and''; and

(2) by inserting after ''Secretary may not fund'' the following: ''the implementation costs of''.

(d) TOLLING.—Section 1012(b)(4) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking ''a pilot program under this section, but not on more than 3 of such programs'' and inserting ''any value pricing pilot program under this subsection''.

(e) HOV PASSENGER REQUIREMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking paragraph (6) and inserting the following:

''(6) HOV PASSENGER REQUIREMENTS.—Notwithstanding section 146(c) of title 23, United States Code, a State may permit vehicles with fewer than 2 occupants to operate in high occupancy vehicle lanes if the vehicles are part of a value pricing pilot program under this subsection.''.

(f) FUNDING.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by adding at the end the following:

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $8,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY.—

''(i) IN GENERAL.—Funds allocated by the Secretary to a State under this subsection shall remain available for obligation by the State for a period of 3 years after the last day of the fiscal year for which the funds are authorized.

''(ii) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this subsection but not allocated exceeds $8,000,000 as of September 30 of any year, the excess amount—

''(I) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

''(II) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

''(III) shall be available for any purpose eligible for funding under section 133 of that title.

''(C) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection and the availability of funds authorized by this paragraph shall be determined in accordance with this subsection.''.

(g) CONFORMING AMENDMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in paragraph (1), by striking ''projects'' each place it appears and inserting ''programs''; and

(2) in paragraph (5)—

(A) by striking ''projects'' and inserting ''programs''; and

(B) by striking ''traffic, volume'' and inserting ''traffic volume''.

SEC. 1109. HIGHWAY USE TAX EVASION PROJECTS.

(a) IN GENERAL.—Section 143 of title 23, United States Code, is amended to read as follows:

''§ 143. Highway use tax evasion projects

''(a) DEFINITION OF STATE.—In this section, the term 'State' means the 50 States and the District of Columbia.

''(b) PROJECTS.—

''(1) IN GENERAL.—The Secretary shall use funds made available under paragraph (7) to carry out highway use tax evasion projects in accordance with this subsection.

''(2) ALLOCATION OF FUNDS.—The funds may be allocated to the Internal Revenue Service and the States at the discretion of the Secretary.

''(3) CONDITIONS ON FUNDS ALLOCATED TO INTERNAL REVENUE SERVICE.—The Secretary shall not impose any condition on the use of funds allocated to the Internal Revenue Service under this subsection.

''(4) LIMITATION ON USE OF FUNDS.—Funds made available under paragraph (7) shall be used only—

''(A) to expand efforts to enhance motor fuel tax enforcement;

''(B) to fund additional Internal Revenue Service staff, but only to carry out functions described in this paragraph;

''(C) to supplement motor fuel tax examinations and criminal investigations;

''(D) to develop automated data processing tools to monitor motor fuel production and sales;

''(E) to evaluate and implement registration and reporting requirements for motor fuel taxpayers;

''(F) to reimburse State expenses that supplement existing fuel tax compliance efforts; and

''(G) to analyze and implement programs to reduce tax evasion associated with other highway use taxes.

''(5) MAINTENANCE OF EFFORT.—The Secretary may not make an allocation to a State under this subsection for a fiscal year unless the State certifies that the aggregate expenditure of funds of the State, exclusive of Federal funds, for motor fuel tax enforcement activities will be maintained at a level that does not fall below the average level of such expenditure for the preceding 2 fiscal years of the State.

''(6) FEDERAL SHARE.—The Federal share of the cost of a project carried out under this subsection shall be 100 percent.

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $5,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY OF FUNDS.—Funds authorized under this paragraph shall remain available for obligation for a period of 1 year after the last day of the fiscal year for which the funds are authorized.

''(c) EXCISE FUEL REPORTING SYSTEM.—

''(1) IN GENERAL.—Not later than April 1, 1998, the Secretary shall enter into a memorandum of understanding with the Commissioner of the Internal Revenue Service for the purposes of the development and maintenance by the Internal Revenue Service of an excise fuel reporting system (referred to in this subsection as the 'system').

''(2) ELEMENTS OF MEMORANDUM OF UNDERSTANDING.—The memorandum of understanding shall provide that—

''(A) the Internal Revenue Service shall develop and maintain the system through contracts;

''(B) the system shall be under the control of the Internal Revenue Service; and

''(C) the system shall be made available for use by appropriate State and Federal revenue, tax, or law enforcement authorities, subject to section 6103 of the Internal Revenue Code of 1986.

''(3) AUTHORIZATION OF APPROPRIATIONS FROM HIGHWAY TRUST FUND.—There are authorized to be appropriated to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection—

''(A) $8,000,000 for development of the system; and

''(B) $2,000,000 for each of fiscal years 1998 through 2003 for operation and maintenance of the system.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 143 and inserting the following:

''143. Highway use tax evasion projects.''.

(2) Section 1040 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1992) is repealed.

(3) Section 8002 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 2203) is amended—

(A) in the first sentence of subsection (g), by striking ''section 1040 of this Act'' and inserting ''section 143 of title 23, United States Code,''; and

(B) by striking subsection (h).

SEC. 1110. BICYCLE TRANSPORTATION AND PEDESTRIAN WALKWAYS.

Section 217 of title 23, United States Code, is amended—

(1) in subsection (b)—

(A) by inserting ''pedestrian walkways and'' after ''construction of''; and

(B) by striking ''(other than the Interstate System)'';

(2) in subsection (e), by striking '', other than a highway access to which is fully controlled,'';

(3) by striking subsection (g) and inserting the following:

''(g) PLANNING AND DESIGN.—

''(1) IN GENERAL.—Bicyclists and pedestrians shall be given consideration in the comprehensive transportation plans developed by each metropolitan planning organization and State in accordance with sections 134 and 135, respectively.

''(2) CONSTRUCTION.—Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation facilities, except where bicycle and pedestrian use are not permitted.

''(3) SAFETY AND CONTIGUOUS ROUTES.—Transportation plans and projects shall provide consideration for safety and contiguous routes for bicyclists and pedestrians.'';

(4) in subsection (h)—

(A) by striking ''No motorized vehicles shall'' and inserting ''Motorized vehicles may not''; and

(B) by striking paragraph (3) and inserting the following:

''(3) wheelchairs that are powered; and''; and

(5) by striking subsection (j) and inserting the following:

''(j) DEFINITIONS.—In this section:

''(1) BICYCLE TRANSPORTATION FACILITY.—The term 'bicycle transportation facility' means a new or improved lane, path, or shoulder for use by bicyclists or a traffic control device, shelter, or parking facility for bicycles.

''(2) PEDESTRIAN.—The term 'pedestrian' means any person traveling by foot or any mobility impaired person using a wheelchair.

''(3) WHEELCHAIR.—The term 'wheelchair' means a mobility aid, usable indoors, and designed for and used by individuals with mobility impairments, whether operated manually or powered.''.

SEC. 1111. DISADVANTAGED BUSINESS ENTERPRISES.

(a) GENERAL RULE.—Except to the extent that the Secretary determines otherwise, not less than 10 percent of the amounts made available for any program under titles I and II of this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

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

(1) SMALL BUSINESS CONCERN.—The term ''small business concern'' has the meaning such term has under section 3 of the Small Business Act (15 U.S.C. 632); except that such term shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has average annual gross receipts over the preceding 3 fiscal years in excess of $16,600,000, as adjusted by the Secretary for inflation.

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term ''socially and economically disadvantaged individuals'' has the meaning such term has under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto; except that women shall be presumed to be socially and economically disadvantaged individuals for purposes of this section.

(c) ANNUAL LISTING OF DISADVANTAGED BUSINESS ENTERPRISES.—Each State shall annually survey and compile a list of the small business concerns referred to in subsection (a) and the location of such concerns in the State and notify the Secretary, in writing, of the percentage of such concerns which are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are women and are otherwise socially and economically disadvantaged individuals.

(d) UNIFORM CERTIFICATION.—The Secretary shall establish minimum uniform criteria for State governments to use in certifying whether a concern qualifies for purposes of this section. Such minimum uniform criteria shall include but not be limited to on-site visits, personal interviews, licenses, analysis of stock ownership, listing of equipment, analysis of bonding capacity, listing of work completed, resume of principal owners, financial capacity, and type of work preferred.

SEC. 1112. FEDERAL SHARE PAYABLE.

Section 120 of title 23, United States Code (as amended by section 1106(a)), is amended—

(1) in each of subsections (a) and (b), by adding at the end the following: ''In the case of any project subject to this subsection, a State may determine a lower Federal share than the Federal share determined under the preceding sentences of this subsection.''; and

(2) by adding at the end the following:

''(l) CREDIT FOR NON-FEDERAL SHARE.—

''(1) ELIGIBILITY.—A State may use as a credit toward the non-Federal share requirement for any program under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) or this title, other than the emergency relief program authorized by section 125, toll revenues that are generated and used by public, quasi-public, and private agencies to build, improve, or maintain, without the use of Federal funds, highways, bridges, or tunnels that serve the public purpose of interstate commerce.

''(2) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—The credit toward any non-Federal share under paragraph (1) shall not reduce nor replace State funds required to match Federal funds for any program under this title.

''(B) CONDITIONS ON RECEIPT OF CREDIT.—

''(i) AGREEMENT WITH THE SECRETARY.—To receive a credit under paragraph (1) for a fiscal year, a State shall enter into such agreements as the Secretary may require to ensure that the State will maintain its non-Federal transportation capital expenditures at or above the average level of such expenditures for the preceding 3 fiscal years.

''(ii) EXCEPTION.—Notwithstanding clause (i), a State may receive a credit under paragraph (1) for a fiscal year if, for any 1 of the preceding 3 fiscal years, the non-Federal transportation capital expenditures of the State were at a level that was greater than 30 percent of the average level of such expenditures for the other 2 of the preceding 3 fiscal years.

''(3) TREATMENT.—

''(A) IN GENERAL.—Use of the credit toward a non-Federal share under paragraph (1) shall not expose the agencies from which the credit is received to additional liability, additional regulation, or additional administrative oversight.

''(B) CHARTERED MULTISTATE AGENCIES.—When credit is applied from a chartered

multistate agency under paragraph (1), the credit shall be applied equally to all charter States.

''(C) NO ADDITIONAL STANDARDS.—A public, quasi-public, or private agency from which the credit for which the non-Federal share is calculated under paragraph (1) shall not be subject to any additional Federal design standards or laws (including regulations) as a result of providing the credit beyond the standards and laws to which the agency is already subject.''.

SEC. 1113. STUDIES AND REPORTS.

(a) HIGHWAY ECONOMIC REQUIREMENT SYSTEM.—

(1) METHODOLOGY.—

(A) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the methodology used by the Department of Transportation to determine highway needs using the highway economic requirement system (referred to in this subsection as the ''model'').

(B) REQUIRED ELEMENT.—The evaluation shall include an assessment of the extent to which the model estimates an optimal level of highway infrastructure investment, including an assessment as to when the model may be overestimating or underestimating investment requirements.

(C) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the evaluation.

(2) STATE INVESTMENT PLANS.—

(A) STUDY.—In consultation with State transportation departments and other appropriate State and local officials, the Comptroller General of the United States shall conduct a study on the extent to which the highway economic requirement system of the Federal Highway Administration can be used to provide States with useful information for developing State transportation investment plans and State infrastructure investment projections.

(B) REQUIRED ELEMENTS.—The study shall—

(i) identify any additional data that may need to be collected beyond the data submitted, prior to the date of enactment of this Act, to the Federal Highway Administration through the highway performance monitoring system; and

(ii) identify what additional work, if any, would be required of the Federal Highway Administration and the States to make the model useful at the State level.

(C) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(b) INTERNATIONAL ROUGHNESS INDEX.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the international roughness index that is used as an indicator of pavement quality on the Federal-aid highway system.

(2) REQUIRED ELEMENTS.—The study shall specify the extent of usage of the index and the extent to which the international roughness index measurement is reliable across different manufacturers and types of pavement.

(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(c) REPORTING OF RATES OF OBLIGATION.—Section 104 of title 23, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (m); and

(2) by inserting after subsection (i) the following:

''(j) REPORTING OF RATES OF OBLIGATION.—On an annual basis, the Secretary shall publish or otherwise report rates of obligation of funds apportioned or set aside under this section and sections 103 and 133 according to—

''(1) program;

''(2) funding category or subcategory;

''(3) type of improvement;

''(4) State; and

''(5) sub-State geographic area, including urbanized and rural areas, on the basis of the population of each such area.''.

SEC. 1114. DEFINITIONS.

(a) FEDERAL-AID HIGHWAY FUNDS AND PROGRAM.—

(1) IN GENERAL.—Section 101(a) of title 23, United States Code, is amended by inserting before the undesignated paragraph defining ''Federal-aid highways'' the following:

''The term 'Federal-aid highway funds' means funds made available to carry out the Federal-aid highway program.

''The term 'Federal-aid highway program' means all programs authorized under chapters 1, 3, and 5.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(d) of title 23, United States Code, is amended by striking ''the construction of Federal-aid highways or highway planning, research, or development'' and inserting ''the Federal-aid highway program''.

(B) Section 104(m)(1) of title 23, United States Code (as redesignated by section 1113(c)(1)), is amended by striking ''Federal-aid highways and the highway safety construction programs'' and inserting ''the Federal-aid highway program''.

(C) Section 107(b) of title 23, United States Code, is amended in the second sentence by striking ''Federal-aid highways'' and inserting ''the Federal-aid highway program''.

(b) ALPHABETIZATION OF DEFINITIONS.—Section 101(a) of title 23, United States Code, is amended by reordering the undesignated paragraphs so that they are in alphabetical order.

SEC. 1115. COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code (as amended by section 1107(a)), is amended by inserting after section 206 the following:

''§ 207. Cooperative Federal Lands Transportation Program

''(a) IN GENERAL.—There is established the Cooperative Federal Lands Transportation Program (referred to in this section as the 'program'). Funds available for the program may be used for projects, or portions of projects, on highways that are owned or maintained by States or political subdivisions of States and that cross, are adjacent to, or lead to federally owned land or Indian reservations (including Army Corps of Engineers reservoirs), as determined by the State. Such projects shall be proposed by a State and selected by the Secretary. A project proposed by a State under this section shall be on a highway or bridge owned or maintained by the State, or 1 or more political subdivisions of the State, and may be a highway or bridge construction or maintenance project eligible under this title or any project of a type described in section 204(h).

''(b) DISTRIBUTION OF FUNDS FOR PROJECTS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The Secretary—

''(i) after consultation with the Administrator of General Services, the Secretary of the Interior, and other agencies as appropriate (including the Army Corps of Engineers), shall determine the percentage of the total land in each State that is owned by the Federal Government or that is held by the Federal Government in trust;

''(ii) shall determine the sum of the percentages determined under clause (i) for States with respect to which the percentage is 4.5 or greater; and

''(iii) shall determine for each State included in the determination under clause (ii) the percentage obtained by dividing—

''(I) the percentage for the State determined under clause (i); by

''(II) the sum determined under clause (ii).

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A)(iii) that is greater than 7.5 percent to 7.5 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i) among other States included in the determination under subparagraph (A)(ii) in proportion to the percentages for those States determined under subparagraph (A)(iii).

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall make funds available to carry out eligible projects in a State in an amount equal to the amount obtained by multiplying—

''(A) the percentage for the State, if any, determined under paragraph (1); by

''(B) the funds made available for the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline may not be earlier than January 1, 1998. For each fiscal year, if a State does not have pending, by that deadline, applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(c) TRANSFERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a State and the Secretary may agree to transfer amounts made available to a State under this section to the allocations of the State under section 202 for use in carrying out projects on any Federal lands highway that is located in the State.

''(2) SPECIAL RULE.—This paragraph applies to a State that contains a national park that was visited by more than 2,500,000 people in 1996 and comprises more than 3,000 square miles of land area, including surface water, that is located in the State. For such a State, 50 percent of the amount that would otherwise be made available to the State for each fiscal year under the program shall be made available only for eligible highway uses in the national park and within the borders of the State. For the purpose of making allocations under section 202(c), the Secretary may not take into account the past or future availability, for use on park roads and parkways in a national park, of funds made available for use in a national park by this paragraph.I20 ''(d) RIGHTS-OF-WAY ACROSS FEDERAL LAND.—Nothing in this section affects any claim for a right-of-way across Federal land.

''(e) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $74,000,000 for each of fiscal years 1998 through 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 207 and inserting the following:

''207. Cooperative Federal Lands Transportation Program.''.

SEC. 1116. TRADE CORRIDOR AND BORDER CROSSING PLANNING AND BORDER INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) BORDER REGION.—The term ''border region'' means—

(A) the region located within 60 miles of the United States border with Mexico; and

(B) the region located within 60 miles of the United States border with Canada.

(2) BORDER STATE.—The term ''border State'' means a State of the United States that—

(A) is located along the border with Mexico; or

(B) is located along the border with Canada.

(3) BORDER STATION.—The term ''border station'' means a controlled port of entry into the United States located in the United States at the border with Mexico or Canada, consisting of land occupied by the station and the buildings, roadways, and parking lots on the land.

(4) FEDERAL INSPECTION AGENCY.—The term ''Federal inspection agency'' means a Federal agency responsible for the enforcement of immigration laws (including regulations), customs laws (including regulations), and agriculture import restrictions, including the United States Customs Service, the Immigration and Naturalization Service, the Animal and Plant Health Inspection Service, the Food and Drug Administration, the United States Fish and Wildlife Service, and the Department of State.

(5) GATEWAY.—The term ''gateway'' means a grouping of border stations defined by proximity and similarity of trade.

(6) NON-FEDERAL GOVERNMENTAL JURISDICTION.—The term ''non-Federal governmental jurisdiction'' means a regional, State, or local authority involved in the planning, development, provision, or funding of transportation infrastructure needs.

(b) BORDER CROSSING PLANNING INCENTIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall make incentive grants to States and to metropolitan planning organizations designated under section 134 of title 23, United States Code.

(2) USE OF GRANTS.—The grants shall be used to encourage joint transportation planning activities and to improve people and vehicle movement into and through international gateways as a supplement to statewide and metropolitan transportation planning funding made available under other provisions of this Act and under title 23, United States Code.

(3) CONDITION OF GRANTS.—As a condition of receiving a grant under paragraph (1), a State transportation department or a metropolitan planning organization shall certify to the Secretary that it commits to be engaged in joint planning with its counterpart agency in Mexico or Canada.

(4) LIMITATION ON AMOUNT.—Each State transportation department or metropolitan planning organization may receive not more than $100,000 under this subsection for any fiscal year.

(5) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $1,400,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(c) TRADE CORRIDOR PLANNING INCENTIVE GRANTS.—

(1) GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States to encourage, within the framework of the statewide transportation planning process of the State under section 135 of title 23, United States Code, cooperative multistate corridor analysis of, and planning for, the safe and efficient movement of goods along and within international or interstate trade corridors of national importance.

(B) IDENTIFICATION OF CORRIDORS.—Each corridor referred to in subparagraph (A) shall be cooperatively identified by the States along the corridor.

(2) CORRIDOR PLANS.—

(A) IN GENERAL.—As a condition of receiving a grant under paragraph (1), a State shall enter into an agreement with the Secretary that specifies that, in cooperation with the other States along the corridor, the State will submit a plan for corridor improvements to the Secretary not later than 2 years after receipt of the grant.

(B) COORDINATION OF PLANNING.—Planning with respect to a corridor under this subsection shall be coordinated with transportation planning being carried out by the States and metropolitan planning organizations along the corridor and, to the extent appropriate, with transportation planning being carried out by Federal land management agencies, by tribal governments, or by government agencies in Mexico or Canada.

(3) MULTISTATE AGREEMENTS FOR TRADE CORRIDOR PLANNING.—The consent of Congress is granted to any 2 or more States—

(A) to enter into multistate agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of interstate trade corridor planning activities; and

(B) to establish such agencies, joint or otherwise, as the States may determine desirable to make the agreements effective.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $3,000,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(d) FEDERAL ASSISTANCE FOR TRADE CORRIDORS AND BORDER INFRASTRUCTURE SAFETY AND CONGESTION RELIEF.—

(1) APPLICATIONS FOR GRANTS.—The Secretary shall make grants to States or metropolitan planning organizations that submit an application that—

(A) demonstrates need for assistance in carrying out transportation projects that are necessary to relieve traffic congestion or improve enforcement of motor carrier safety laws; and

(B) includes strategies to involve both the public and private sectors in the proposed project.

(2) SELECTION OF STATES, METROPOLITAN PLANNING ORGANIZATIONS, AND PROJECTS TO RECEIVE GRANTS.—In selecting States, metropolitan planning organizations, and projects to receive grants under this subsection, the Secretary shall consider—

(A) the annual volume of commercial vehicle traffic at the border stations or ports of entry of each State as compared to the annual volume of commercial vehicle traffic at the border stations or ports of entry of all States;

(B) the extent to which commercial vehicle traffic in each State has grown since the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182) as compared to the extent to which that traffic has grown in each other State;

(C) the extent of border transportation improvements carried out by each State since the date of enactment of that Act;

(D) the reduction in commercial and other travel time through a major international gateway expected as a result of the project;

(E) the extent of leveraging of Federal funds provided under this subsection, including—

(i) use of innovative financing;

(ii) combination with funding provided under other sections of this Act and title 23, United States Code; and

(iii) combination with other sources of Federal, State, local, or private funding;

(F) improvements in vehicle and highway safety and cargo security in and through the gateway concerned;

(G) the degree of demonstrated coordination with Federal inspection agencies;

(H) the extent to which the innovative and problem solving techniques of the proposed project would be applicable to other border stations or ports of entry;

(I) demonstrated local commitment to implement and sustain continuing comprehensive border planning processes and improvement programs; and

(J) other factors to promote transport efficiency and safety, as determined by the Secretary.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A grant under this subsection shall be used to develop project plans, and implement coordinated and comprehensive programs of projects, to improve efficiency and safety.

(B) TYPE OF PLANS AND PROGRAMS.—The plans and programs may include—

(i) improvements to transport and supporting infrastructure;

(ii) improvements in operational strategies, including electronic data interchange and use of telecommunications to expedite vehicle and cargo movement;

(iii) modifications to regulatory procedures to expedite vehicle and cargo flow;

(iv) new infrastructure construction;

(v) purchase, installation, and maintenance of weigh-in-motion devices and associated electronic equipment in Mexico or Canada if real time data from the devices is provided to the nearest border station and to State commercial vehicle enforcement facilities that serve the border station; and

(vi) other institutional improvements, such as coordination of binational planning, programming, and border operation, with special emphasis on coordination with—

(I) Federal inspection agencies; and

(II) their counterpart agencies in Mexico and Canada.

(4) CONSTRUCTION OF TRANSPORTATION INFRASTRUCTURE FOR LAW ENFORCEMENT PURPOSES.—At the request of the Administrator of General Services, in consultation with the Attorney General, the Secretary may transfer, during the period of fiscal years 1998 through 2001, not more than $10,000,000 of the amounts made available under paragraph (5) to the Administrator of General Services for the construction of transportation infrastructure necessary for law enforcement in border States.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $125,000,000 for each of fiscal years 1998 through 2003.

(e) COORDINATION OF PLANNING.—

(1) PLANNING AND DEVELOPMENT OF BORDER STATIONS.—The General Services Administration shall be the coordinating Federal agency in the planning and development of new or expanded border stations.

(2) COOPERATIVE ACTIVITIES.—In carrying out paragraph (1), the Administrator of General Services shall cooperate with Federal inspection agencies and non-Federal governmental jurisdictions to ensure that—

(A) improvements to border station facilities take into account regional and local conditions, including the alignment of highway systems and connecting roadways; and

(B) all facility requirements, associated costs, and economic impacts are identified.

(f) COST SHARING.—A grant under this section shall be used to pay the Federal share of the cost of a project. The Federal share shall not exceed 80 percent.

(g) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this section but not allocated exceeds $4,000,000 as of September 30 of any year, the excess amount—

(1) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

(2) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

(3) shall be available for any purpose eligible for funding under section 133 of that title.

SEC. 1117. APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

(a) AVAILABILITY, RELEASE, AND REALLOCATION OF FUNDS.—Section 201(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the second sentence, by inserting before the period at the end the following: ", except that each allocation to a State shall remain available for expenditure in the State for the fiscal year in which the allocation is allocated and for the 3 following fiscal years"; and

(2) by inserting after the second sentence the following: "Funds authorized under this section for fiscal year 1998 or a fiscal year thereafter, and not expended by a State during the 4 fiscal years referred to in the preceding sentence, shall be released to the Commission for reallocation and shall remain available until expended.".

(b) SUBSTITUTE CORRIDOR.—Section 201(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking "(b) The Commission" and inserting the following:

"(b) DESIGNATIONS.—

"(1) IN GENERAL.—The Commission"; and

(3) by adding at the end the following:

"(2) SUBSTITUTE CORRIDOR.—In lieu of Corridor H in Virginia, the Appalachian development highway system shall include the Virginia portion of the segment identified in section 1105(c)(29) of the Intermodal Surface Transportation Efficiency Act of 1991 (109 Stat. 597).".

(c) FEDERAL SHARE FOR PREFINANCED PROJECTS.—Section 201(h)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking "70 per centum" and inserting "80 percent".

(d) AUTHORIZATION OF CONTRACT AUTHORITY.—Section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking subsection (g) and inserting the following:

"(g) AUTHORIZATION OF CONTRACT AUTHORITY.—

"(1) IN GENERAL.—

"(A) FISCAL YEARS 1998 THROUGH 2003.—For the continued construction of the Appalachian development highway system approved as of September 30, 1996, in accordance with this section, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) $40,000,000 for each of fiscal years 1998 through 2000, $50,000,000 for fiscal year 2001, $60,000,000 for fiscal year 2002, and $70,000,000 for fiscal year 2003.

"(B) OBLIGATION AUTHORITY.—The Secretary shall provide equivalent amounts of obligation authority for the funds authorized under subparagraph (A).

"(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share shall be determined in accordance with this section and the funds shall remain available in accordance with subsection (a).".

SEC. 1118. INTERSTATE 4R AND BRIDGE DISCRETIONARY PROGRAM.

(a) IN GENERAL.—Section 104 of title 23, United States Code (as amended by section 1113(c)(1)), is amended by inserting after subsection (j) the following:

"(k) SET-ASIDE FOR INTERSTATE 4R AND BRIDGE PROJECTS.—

"(1) IN GENERAL.—For each of fiscal years 1998 through 2003, before any apportionment is made under subsection (b)(1), the Secretary shall set aside $107,000,000 from amounts to be apportioned under subsection (b)(1)(A), and $107,000,000 from amounts to be apportioned under subsection (b)(1)(B), for allocation by the Secretary—

"(A) for projects for resurfacing, restoring, rehabilitating, or reconstructing any route or portion of a route on the Interstate System (other than any highway designated as a part of the Interstate System under section 103(c)(4) and any toll road on the Interstate System that is not subject to an agreement under section 119(e) (as in effect on December".

AMENDMENT NO. 1500

Beginning on page 5, strike line 1 and all that follows through page 123, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the "Surface Transportation Act of 1997".

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $10,851,583,000 for fiscal year 1998, $10,680,583,000 for fiscal year 1999, $10,691,883,000 for fiscal year 2000, $11,791,883,000 for fiscal year 2001, $12,119,883,000 for fiscal year 2002, and $12,655,883,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $6,609,600,000 for fiscal year 1998, $6,623,600,000 for fiscal year 1999, $6,665,600,000 for fiscal year 2000, $6,722,600,000 for fiscal year 2001, $6,872,600,000 for fiscal year 2002, and $7,093,600,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,085,863,000 for fiscal year 1998, $1,087,863,000 for fiscal year 1999, $1,094,863,000 for fiscal year 2000, $1,104,863,000 for fiscal year 2001, $1,128,863,000 for fiscal year 2002, and $1,165,863,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

"(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

"(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

"(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

"(i) 50 percent in the ratio that—

"(I) the total lane miles on Interstate System routes designated under—

"(aa) section 103;

"(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

"(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

"(II) the total of all such lane miles in all States; and

"(ii) 50 percent in the ratio that—

"(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

"(aa) section 103;

"(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

"(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the product obtained by multiplying—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; by

''(II) the average price per square foot of replacement and rehabilitation of the bridges, as determined by the Secretary on a State-by-State basis; bears to

''(ii) the product obtained by multiplying—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States; by

''(II) the average price per square foot of replacement and rehabilitation of the bridges, as determined by the Secretary on a State-by-State basis.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the product obtained by multiplying the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State by the average price per square foot of replacement and rehabilitation of the bridges, as determined by the Secretary on a State-by-State basis; bears to

''(bb) the product obtained by multiplying the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States by the average price per square foot of replacement and rehabilitation of the bridges, as determined by the Secretary on a State-by-State basis.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the product obtained by multiplying—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; by

''(bb) the average price per square foot of replacement and rehabilitation of the bridges, as determined by the Secretary on a State-by-State basis; bears to

''(II) the product obtained by multiplying—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States; by

''(bb) the average price per square foot of replacement and rehabilitation of the bridges, as determined by the Secretary on a State-by-State basis.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section

901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 145 percent, and, in the case of each of fiscal years 1999 through 2003, 145 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall apportion to each State such additional amounts as are necessary to ensure that—

(i) the total apportionments to the State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of paragraph (3); is equal to

(ii) the greater of—

(I) the product determined with respect to the State under paragraph (1)(E); or

(II) the total apportionments to the State for fiscal year 1997 for all Federal-aid highway programs, excluding—

(aa) apportionments for the Federal lands highways program under section 204 of title 23, United States Code;

(bb) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943); and

(cc) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240).

(B) OBLIGATION.—Amounts apportioned under subparagraph (A)—

(i) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(I) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(II) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(ii) shall be available for any purpose eligible for funding under section 133 of that title; and

(iii) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(C) AUTHORIZATION OF CONTRACT AUTHORITY.—

(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this paragraph.

(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(d) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

''§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that—

''(A) the ratio that—

''(i) each State's percentage of the total apportionments for the fiscal year—

''(I) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) under this section and section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; bears to

''(ii) each State's percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available;

is not less than 0.90; and

''(B) in the case of a State specified in paragraph (2), the State's percentage of the total apportionments for the fiscal year described in subclauses (I) and (II) of subparagraph (A)(i) is—

''(i) not less than the percentage specified for the State in paragraph (2); but

''(ii) not greater than the product determined for the State under section 1102(c)(1)(D) of the Intermodal Surface Transportation Efficiency Act of 1997 for the fiscal year.

''(2) STATE PERCENTAGES.—The percentage referred to in paragraph (1)(B) for a specified State shall be determined in accordance with the following table:

''State	**Percentage**
Alaska	1.24
Arkansas	1.33
Delaware	0.47
Hawaii	0.55
Idaho	0.82
Montana	1.06
Nevada	0.73
New Hampshire	0.52
New Jersey	2.41
New Mexico	1.05
North Dakota	0.73
Rhode Island	0.58
South Dakota	0.78
Vermont	0.47
Wyoming	0.76.

''(b) TREATMENT OF ALLOCATIONS.—

''(1) OBLIGATION.—Amounts allocated under subsection (a)—

''(A) shall be available for obligation when allocated and shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are allocated; and

''(B) shall be available for any purpose eligible for funding under this title.

''(2) SET-ASIDE.—Fifty percent of the amounts allocated under subsection (a) shall be subject to section 133(d)(3).

''(c) TREATMENT OF WITHHELD APPORTIONMENTS.—For the purpose of subsection (a), any funds that, but for section 158(b) or any

other provision of law under which Federal-aid highway funds are withheld from apportionment, would be apportioned to a State for a fiscal year under a section referred to in subsection (a) shall be treated as being apportioned in that fiscal year.

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this section.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 105 and inserting the following:

''105. Minimum guarantee.''.

(e) AUDITS OF HIGHWAY TRUST FUND.—Section 104 of title 23, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) AUDITS OF HIGHWAY TRUST FUND.—From available administrative funds deducted under subsection (a), the Secretary may reimburse the Office of Inspector General of the Department of Transportation for the conduct of annual audits of financial statements in accordance with section 3521 of title 31.''.

(f) TECHNICAL AMENDMENTS.—Section 104 of title 23, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting ''NOTIFICATION TO STATES.—'' after ''(e)'';

(B) in the first sentence—

(i) by striking ''(other than under subsection (b)(5) of this section)''; and

(ii) by striking ''and research'';

(C) by striking the second sentence; and

(D) in the last sentence, by striking '', except that'' and all that follows through ''such funds''; and

(2) in subsection (f)—

(A) by striking ''(f)(1) On'' and inserting the following:

''(f) METROPOLITAN PLANNING.—

''(1) SET-ASIDE.—On'';

(B) by striking ''(2) These'' and inserting the following:

''(2) APPORTIONMENT TO STATES OF SET-ASIDE FUNDS.—These'';

(C) by striking ''(3) The'' and inserting the following:

''(3) USE OF FUNDS.—The''; and

(D) by striking ''(4) The'' and inserting the following:

''(4) DISTRIBUTION OF FUNDS WITHIN STATES.—The''.

(g) CONFORMING AMENDMENTS.—

(1) Section 146(a) of title 23, United States Code, is amended in the first sentence by striking '', 104(b)(2), and 104(b)(6)'' and inserting ''and 104(b)(2)''.

(2)(A) Section 150 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 150.

(3) Section 158 of title 23, United States Code, is amended—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated)—

(I) by striking ''AFTER THE FIRST YEAR'' and inserting ''IN GENERAL''; and

(II) by striking '', 104(b)(2), 104(b)(5), and 104(b)(6)'' and inserting ''and 104(b)(2)''; and

(iv) in paragraph (2) (as redesignated by clause (ii)), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(B) by striking subsection (b) and inserting the following:

''(b) EFFECT OF WITHHOLDING OF FUNDS.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to that State.''.

(4)(A) Section 157 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 157.

(5)(A) Section 115(b)(1) of title 23, United States Code, is amended by striking ''or 104(b)(5), as the case may be,''.

(B) Section 137(f)(1) of title 23, United States Code, is amended by striking ''section 104(b)(5)(B) of this title'' and inserting ''section 104(b)(1)(A)''.

(C) Section 141(c) of title 23, United States Code, is amended by striking ''section 104(b)(5) of this title'' each place it appears and inserting ''section 104(b)(1)(A)''.

(D) Section 142(c) of title 23, United States Code, is amended by striking ''(other than section 104(b)(5)(A))''.

(E) Section 159 of title 23, United States Code, is amended—

(i) by striking ''(5) of'' each place it appears and inserting ''(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997) of''; and

(ii) in subsection (b)—

(I) in paragraphs (1)(A)(i) and (3)(A), by striking ''section 104(b)(5)(A)'' each place it appears and inserting ''section 104(b)(5)(A) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(II) in paragraph (1)(A)(ii), by striking ''section 104(b)(5)(B)'' and inserting ''section 104(b)(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(III) in paragraph (3)(B), by striking ''(5)(B)'' and inserting ''(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(IV) in paragraphs (3) and (4), by striking ''section 104(b)(5)'' each place it appears and inserting ''section 104(b)(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

(F) Section 161(a) of title 23, United States Code, is amended by striking ''paragraphs (1), (3), and (5)(B) of section 104(b)'' each place it appears and inserting ''paragraphs (1) and (3) of section 104(b)''.

(6)(A) Section 104(g) of title 23, United States Code, is amended—

(i) in the first sentence, by striking ''sections 130, 144, and 152 of this title'' and inserting ''subsection (b)(1)(B) and sections 130 and 152'';

(ii) in the first and second sentences—

(I) by striking ''section'' and inserting ''provision''; and

(II) by striking ''such sections'' and inserting ''those provisions''; and

(iii) in the third sentence—

(I) by striking ''section 144'' and inserting ''subsection (b)(1)(B)''; and

(II) by striking ''subsection (b)(1)'' and inserting ''subsection (b)(1)(C)''.

(B) Section 115 of title 23, United States Code, is amended—

(i) in subsection (a)(1)(A)(i), by striking ''104(b)(2), 104(b)(3), 104(f), 144,'' and inserting ''104(b)(1)(B), 104(b)(2), 104(b)(3), 104(f),''; and

(ii) in subsection (c), by striking ''144,,''.

(C) Section 120(e) of title 23, United States Code, is amended in the last sentence by striking ''and in section 144 of this title''.

(D) Section 151(d) of title 23, United States Code, is amended by striking ''section 104(a), section 307(a), and section 144 of this title'' and inserting ''subsections (a) and (b)(1)(B) of section 104 and section 307(a)''.

(E) Section 204(c) of title 23, United States Code, is amended in the first sentence by striking ''or section 144 of this title''.

(F) Section 303(g) of title 23, United States Code, is amended by striking ''section 144 of this title'' and inserting ''section 104(b)(1)(B)''.

SEC. 1103. OBLIGATION CEILING.

(a) GENERAL LIMITATIONS.—Subject to the other provisions of this section and notwithstanding any other provision of law, the total amount of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $21,800,000,000 for fiscal year 1998;

(2) $22,802,000,000 for fiscal year 1999;

(3) $22,939,000,000 for fiscal year 2000;

(4) $23,183,000,000 for fiscal year 2001;

(5) $23,699,000,000 for fiscal year 2002; and

(6) $24,548,000,000 for fiscal year 2003.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The limitations under subsection (a) shall not apply to obligations of funds under—

(A) section 105(a) of title 23, United States Code (but, for each of fiscal years 1998 through 2003, only in an amount equal to the amount included for section 157 of title 23, United States Code, in the baseline determined by the Congressional Budget Office for the fiscal year 1998 budget), excluding amounts allocated under section 105(a)(1)(B) of that title;

(B) section 125 of that title;

(C) section 157 of that title (as in effect on the day before the date of enactment of this Act);

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(F) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(G) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198); and

(H) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

(2) EFFECT OF OTHER LAW.—A provision of law establishing a limitation on obligations for Federal-aid highways and highway safety construction programs may not amend or limit the applicability of this subsection, unless the provision specifically amends or limits that applicability.

(c) APPLICABILITY TO TRANSPORTATION RESEARCH PROGRAMS.—Obligation limitations for Federal-aid highways and highway safety construction programs established by subsection (a) shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code.

(d) OBLIGATION AUTHORITY.—Section 118 of title 23, United States Code, is amended by adding at the end the following:

''(g) OBLIGATION AUTHORITY.—

''(1) DISTRIBUTION.—For each fiscal year, the Secretary shall—

''(A) distribute the total amount of obligation authority for Federal-aid highways and highway safety construction programs made available for the fiscal year by allocation in the ratio that—

''(i) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to each State for the fiscal year; bears to

''(ii) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to all States for the fiscal year;

''(B) provide all States with authority sufficient to prevent lapses of sums authorized

to be appropriated for Federal-aid highways that have been apportioned to a State; and

''(C) notwithstanding subparagraphs (A) and (B), not distribute—

''(i) amounts deducted under section 104(a) for administrative expenses;

''(ii) amounts set aside under section 104(k) for Interstate 4R and bridge projects;

''(iii) amounts made available under sections 143, 164, 165, 204, 206, 207, and 322;

''(iv) amounts made available under section 111 of title 49;

''(v) amounts made available under section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.);

''(vi) amounts made available under section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938);

''(vii) amounts made available under sections 1503, 1603, and 1604 of the Intermodal Surface Transportation Efficiency Act of 1997;

''(viii) amounts made available under section 149(d) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 201);

''(ix) amounts made available under section 105(a)(1)(A) to the extent that the amounts are subject to any obligation limitation under section 1103(a) of the Intermodal Surface Transportation Efficiency Act of 1997;

''(x) amounts made available for implementation of programs under chapter 5 of this title and sections 5222, 5232, and 5241 of title 49; and

''(xi) amounts made available under section 412 of the Woodrow Wilson Memorial Bridge Authority Act of 1995.

''(2) REDISTRIBUTION.—Notwithstanding paragraph (1), the Secretary shall, after August 1 of each of fiscal years 1998 through 2003—

''(A) revise a distribution of the funds made available under paragraph (1) for the fiscal year if a State will not obligate the amount distributed during the fiscal year; and

''(B) redistribute sufficient amounts to those States able to obligate amounts in addition to the amounts previously distributed during the fiscal year, giving priority to those States that have large unobligated balances of funds apportioned under section 104 and under section 144 (as in effect on the day before the date of enactment of this subparagraph).''.

(e) APPLICABILITY OF OBLIGATION LIMITATIONS.—An obligation limitation established by a provision of any other Act shall not apply to obligations under a program funded under this Act or title 23, United States Code, unless—

(1) the provision specifically amends or limits the applicability of this subsection; or

(2) an obligation limitation is specified in this Act with respect to the program.

SEC. 1104. OBLIGATION AUTHORITY UNDER SURFACE TRANSPORTATION PROGRAM.

Section 133 of title 23, United States Code, is amended by striking subsection (f) and inserting the following:

''(f) OBLIGATION AUTHORITY.—

''(1) IN GENERAL.—A State that is required to obligate in an urbanized area with an urbanized area population of over 200,000 individuals under subsection (d) funds apportioned to the State under section 104(b)(3) shall make available during the 3-fiscal year period of 1998 through 2000, and the 3-fiscal year period of 2001 through 2003, an amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs for use in the area that is equal to the amount obtained by multiplying—

''(A) the aggregate amount of funds that the State is required to obligate in the area under subsection (d) during each such period; by

''(B) the ratio that—

''(i) the aggregate amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs during the period; bears to

''(ii) the total of the sums apportioned to the State for Federal-aid highways and highway safety construction programs (excluding sums not subject to an obligation limitation) during the period.

''(2) JOINT RESPONSIBILITY.—Each State, each affected metropolitan planning organization, and the Secretary shall jointly ensure compliance with paragraph (1).''.

SEC. 1105. EMERGENCY RELIEF.

(a) FEDERAL SHARE.—Section 120(e) of title 23, United States Code, is amended in the first sentence by striking ''highway system'' and inserting ''highway''.

(b) ELIGIBILITY AND FUNDING.—Section 125 of title 23, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively;

(3) by inserting after the section heading the following:

''(a) GENERAL ELIGIBILITY.—Subject to this section and section 120, an emergency fund is authorized for expenditure by the Secretary for the repair or reconstruction of highways, roads, and trails, in any part of the United States, including Indian reservations, that the Secretary finds have suffered serious damage as a result of—

''(1) natural disaster over a wide area, such as by a flood, hurricane, tidal wave, earthquake, severe storm, or landslide; or

''(2) catastrophic failure from any external cause.

''(b) RESTRICTION ON ELIGIBILITY.—In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges that have been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to a structural deficiency or physical deterioration.

''(c) FUNDING.—Subject to the following limitations, there are hereby authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) such sums as may be necessary to establish the fund authorized by this section and to replenish it on an annual basis:

''(1) Not more than $100,000,000 is authorized to be obligated in any 1 fiscal year commencing after September 30, 1980, to carry out the provisions of this section, except that, if in any fiscal year the total of all obligations under this section is less than the amount authorized to be obligated in such fiscal year, the unobligated balance of such amount shall remain available until expended and shall be in addition to amounts otherwise available to carry out this section each year.

''(2) Pending such appropriation or replenishment, the Secretary may obligate from any funds heretofore or hereafter appropriated for obligation in accordance with this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, provided that such funds are reimbursed from the appropriations authorized in paragraph (1) of this subsection when such appropriations are made.'';

(4) in subsection (d) (as so redesignated), by striking ''subsection (c)'' both places it appears and inserting ''subsection (e)''; and

(5) in subsection (e) (as so redesignated), by striking ''on any of the Federal-aid highway systems'' and inserting ''Federal-aid highways''.

(c) SAN MATEO COUNTY, CALIFORNIA.—Notwithstanding any other provision of law, a project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, that—

(1) was destroyed as a result of a combination of storms in the winter of 1982–1983 and a mountain slide; and

(2) until its destruction, served as the only reasonable access route between 2 cities and as the designated emergency evacuation route of 1 of the cities;

shall be eligible for assistance under section 125(a) of title 23, United States Code, if the project complies with the local coastal plan.

SEC. 1106. FEDERAL LANDS HIGHWAYS PROGRAM.

(a) FEDERAL SHARE PAYABLE.—Section 120 of title 23, United States Code, is amended by adding at the end the following:

''(j) USE OF FEDERAL LAND MANAGEMENT AGENCY FUNDS.—Notwithstanding any other provision of law, the funds appropriated to any Federal land management agency may be used to pay the non-Federal share of the cost of any Federal-aid highway project the Federal share of which is funded under section 104.

''(k) USE OF FEDERAL LANDS HIGHWAYS PROGRAM FUNDS.—Notwithstanding any other provision of law, the funds made available to carry out the Federal lands highways program under section 204 may be used to pay the non-Federal share of the cost of any project that is funded under section 104 and that provides access to or within Federal or Indian lands.''.

(b) AVAILABILITY OF FUNDS.—Section 203 of title 23, United States Code, is amended by adding at the end the following: ''Notwithstanding any other provision of law, the authorization by the Secretary of engineering and related work for a Federal lands highways program project, or the approval by the Secretary of plans, specifications, and estimates for construction of a Federal lands highways program project, shall be deemed to constitute a contractual obligation of the Federal Government to the pay the Federal share of the cost of the project.''.

(c) PLANNING AND AGENCY COORDINATION.—Section 204 of title 23, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Recognizing the need for all Federal roads that are public roads to be treated under uniform policies similar to the policies that apply to Federal-aid highways, there is established a coordinated Federal lands highways program that shall apply to public lands highways, park roads and parkways, and Indian reservation roads and bridges.

''(2) TRANSPORTATION PLANNING PROCEDURES.—In consultation with the Secretary of each appropriate Federal land management agency, the Secretary shall develop, by rule, transportation planning procedures that are consistent with the metropolitan and statewide planning processes required under sections 134 and 135.

''(3) APPROVAL OF TRANSPORTATION IMPROVEMENT PROGRAM.—The transportation improvement program developed as a part of the transportation planning process under this section shall be approved by the Secretary.

''(4) INCLUSION IN OTHER PLANS.—All regionally significant Federal lands highways program projects—

''(A) shall be developed in cooperation with States and metropolitan planning organizations; and

''(B) shall be included in appropriate Federal lands highways program, State, and metropolitan plans and transportation improvement programs.

''(5) INCLUSION IN STATE PROGRAMS.—The approved Federal lands highways program transportation improvement program shall be included in appropriate State and metropolitan planning organization plans and programs without further action on the transportation improvement program.

''(6) DEVELOPMENT OF SYSTEMS.—The Secretary and the Secretary of each appropriate Federal land management agency shall, to the extent appropriate, develop safety, bridge, pavement, and congestion management systems for roads funded under the Federal lands highways program.'';

(2) in subsection (b), by striking the first 3 sentences and inserting the following: ''Funds available for public lands highways, park roads and parkways, and Indian reservation roads shall be used by the Secretary and the Secretary of the appropriate Federal land management agency to pay for the cost of transportation planning, research, engineering, and construction of the highways, roads, and parkways, or of transit facilities within public lands, national parks, and Indian reservations. In connection with activities under the preceding sentence, the Secretary and the Secretary of the appropriate Federal land management agency may enter into construction contracts and other appropriate contracts with a State or civil subdivision of a State or Indian tribe.'';

(3) in the first sentence of subsection (e), by striking ''Secretary of the Interior'' and inserting ''Secretary of the appropriate Federal land management agency'';

(4) in subsection (h), by adding at the end the following:

''(8) A project to build a replacement of the federally owned bridge over the Hoover Dam in the Lake Mead National Recreation Area between Nevada and Arizona.'';

(5) by striking subsection (i) and inserting the following:

''(i) TRANSFERS OF COSTS TO SECRETARIES OF FEDERAL LAND MANAGEMENT AGENCIES.—

''(1) ADMINISTRATIVE COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay necessary administrative costs of the agency in connection with public lands highways.

''(2) TRANSPORTATION PLANNING COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay the cost to the agency to conduct necessary transportation planning for Federal lands, if funding for the planning is not otherwise provided under this section.''; and

(6) in subsection (j), by striking the second sentence and inserting the following: ''The Indian tribal government, in cooperation with the Secretary of the Interior, and as appropriate, with a State, local government, or metropolitan planning organization, shall carry out a transportation planning process in accordance with subsection (a).''.

SEC. 1107. RECREATIONAL TRAILS PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code, is amended by inserting after section 205 the following:

''§ 206. Recreational trails program

''(a) DEFINITIONS.—

''(1) MOTORIZED RECREATION.—The term 'motorized recreation' means off-road recreation using any motor-powered vehicle, except for a motorized wheelchair.

''(2) RECREATIONAL TRAIL; TRAIL.—The term 'recreational trail' or 'trail' means a thoroughfare or track across land or snow, used for recreational purposes such as—

''(A) pedestrian activities, including wheelchair use;

''(B) skating or skateboarding;

''(C) equestrian activities, including carriage driving;

''(D) nonmotorized snow trail activities, including skiing;

''(E) bicycling or use of other human-powered vehicles;

''(F) aquatic or water activities; and

''(G) motorized vehicular activities, including all-terrain vehicle riding, motorcycling, snowmobiling, use of off-road light trucks, or use of other off-road motorized vehicles.

''(b) PROGRAM.—In accordance with this section, the Secretary, in consultation with the Secretary of the Interior and the Secretary of Agriculture, shall carry out a program to provide and maintain recreational trails (referred to in this section as the 'program').

''(c) STATE RESPONSIBILITIES.—To be eligible for apportionments under this section—

''(1) a State may use apportionments received under this section for construction of new trails crossing Federal lands only if the construction is—

''(A) permissible under other law;

''(B) necessary and required by a statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) approved by the administering agency of the State designated under paragraph (2); and

''(D) approved by each Federal agency charged with management of the affected lands, which approval shall be contingent on compliance by the Federal agency with all applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.);

''(2) the Governor of a State shall designate the State agency or agencies that will be responsible for administering apportionments received under this section; and

''(3) the State shall establish within the State a State trail advisory committee that represents both motorized and nonmotorized trail users.

''(d) USE OF APPORTIONED FUNDS.—

''(1) IN GENERAL.—Funds made available under this section shall be obligated for trails and trail-related projects that—

''(A) have been planned and developed under the laws, policies, and administrative procedures of each State; and

''(B) are identified in, or further a specific goal of, a trail plan or trail plan element included or referenced in a metropolitan transportation plan required under section 134 or a statewide transportation plan required under section 135, consistent with the statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.).

''(2) PERMISSIBLE USES.—Permissible uses of funds made available under this section include—

''(A) maintenance and restoration of existing trails;

''(B) development and rehabilitation of trailside and trailhead facilities and trail linkages;

''(C) purchase and lease of trail construction and maintenance equipment;

''(D) construction of new trails;

''(E) acquisition of easements and fee simple title to property for trails or trail corridors;

''(F) payment of costs to the State incurred in administering the program, but in an amount not to exceed 7 percent of the apportionment received by the State for a fiscal year; and

''(G) operation of educational programs to promote safety and environmental protection as these objectives relate to the use of trails.

''(3) USE OF APPORTIONMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), and (D), of the apportionments received for a fiscal year by a State under this section—

''(i) 40 percent shall be used for trail or trail-related projects that facilitate diverse recreational trail use within a trail corridor, trailside, or trailhead, regardless of whether the project is for diverse motorized use, for diverse nonmotorized use, or to accommodate both motorized and nonmotorized recreational trail use;

''(ii) 30 percent shall be used for uses relating to motorized recreation; and

''(iii) 30 percent shall be used for uses relating to nonmotorized recreation.

''(B) SMALL STATE EXCLUSION.—Any State with a total land area of less than 3,500,000 acres, and in which nonhighway recreational fuel use accounts for less than 1 percent of all such fuel use in the United States, shall be exempted from the requirements of subparagraph (A) upon application to the Secretary by the State demonstrating that the State meets the conditions of this subparagraph.

''(C) WAIVER AUTHORITY.—Upon the request of a State trail advisory committee established under subsection (c)(3), the Secretary may waive, in whole or in part, the requirements of subparagraph (A) with respect to the State if the State certifies to the Secretary that the State does not have sufficient projects to meet the requirements of subparagraph (A).

''(D) STATE ADMINISTRATIVE COSTS.—State administrative costs eligible for funding under paragraph (2)(F) shall be exempt from the requirements of subparagraph (A).

''(e) ENVIRONMENTAL BENEFIT OR MITIGATION.—To the extent practicable and consistent with the other requirements of this section, a State should give consideration to project proposals that provide for the redesign, reconstruction, nonroutine maintenance, or relocation of trails to benefit the natural environment or to mitigate and minimize the impact to the natural environment.

''(f) FEDERAL SHARE.—

''(1) IN GENERAL.—Subject to the other provisions of this subsection, the Federal share of the cost of a project under this section shall not exceed 80 percent.

''(2) FEDERAL AGENCY PROJECT SPONSOR.—Notwithstanding any other provision of law, a Federal agency that sponsors a project under this section may contribute additional Federal funds toward the cost of a project, except that—

''(A) the share attributable to the Secretary of Transportation may not exceed 80 percent; and

''(B) the share attributable to the Secretary and the Federal agency jointly may not exceed 95 percent.

''(3) USE OF FUNDS FROM FEDERAL PROGRAMS TO PROVIDE NON-FEDERAL SHARE.—Notwithstanding any other provision of law, amounts made available by the Federal Government under any Federal program that are—

''(A) expended in accordance with the requirements of the Federal program relating to activities funded and populations served; and

''(B) expended on a project that is eligible for assistance under this section;

may be credited toward the non-Federal share of the cost of the project.

''(4) PROGRAMMATIC NON-FEDERAL SHARE.—A State may allow adjustments to the non-Federal share of an individual project under this section if the Federal share of the cost of all projects carried out by the State under the program (excluding projects funded under paragraph (2) or (3)) using funds apportioned to the State for a fiscal year does not exceed 80 percent.

''(5) STATE ADMINISTRATIVE COSTS.—The Federal share of the administrative costs of a State under this subsection shall be determined in accordance with section 120(b).

''(g) USES NOT PERMITTED.—A State may not obligate funds apportioned under this section for—

''(1) condemnation of any kind of interest in property;

''(2) construction of any recreational trail on National Forest System land for any motorized use unless—

''(A) the land has been apportioned for uses other than wilderness by an approved forest land and resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved forest land and resource management plan;

''(3) construction of any recreational trail on Bureau of Land Management land for any motorized use unless the land—

''(A) has been apportioned for uses other than wilderness by an approved Bureau of Land Management resource management plan or has been released to uses other than wildernessK by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved management plan; or

''(4) upgrading, expanding, or otherwise facilitating motorized use or access to trails predominantly used by nonmotorized trail users and on which, as of May 1, 1991, motorized use is prohibited or has not occurred.

''(h) PROJECT ADMINISTRATION.—

''(1) CREDIT FOR DONATIONS OF FUNDS, MATERIALS, SERVICES, OR NEW RIGHT-OF-WAY.—

''(A) IN GENERAL.—Nothing in this title or other law shall prevent a project sponsor from offering to donate funds, materials, services, or a new right-of-way for the purposes of a project eligible for assistance under this section. Any funds, or the fair market value of any materials, services, or new right-of-way, may be donated by any project sponsor and shall be credited to the non-Federal share in accordance with subsection (f).

''(B) FEDERAL PROJECT SPONSORS.—Any funds or the fair market value of any materials or services may be provided by a Federal project sponsor and shall be credited to the Federal agency's share in accordance with subsection (f).

''(2) RECREATIONAL PURPOSE.—A project funded under this section is intended to enhance recreational opportunity and is not subject to section 138 of this title or section 303 of title 49.

''(3) CONTINUING RECREATIONAL USE.—At the option of each State, funds made available under this section may be treated as Land and Water Conservation Fund apportionments for the purposes of section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(f)(3)).

''(4) COOPERATION BY PRIVATE PERSONS.—

''(A) WRITTEN ASSURANCES.—As a condition of making available apportionments for work on recreational trails that would affect privately owned land, a State shall obtain written assurances that the owner of the land will cooperate with the State and participate as necessary in the activities to be conducted.

''(B) PUBLIC ACCESS.—Any use of the apportionments to a State under this section on privately owned land must be accompanied by an easement or other legally binding agreement that ensures public access to the recreational trail improvements funded by the apportionments.

''(i) APPORTIONMENT.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State that meets the requirements of subsection (c).

''(2) APPORTIONMENT.—Subject to subsection (j), for each fiscal year, the Secretary shall apportion—

''(A) 50 percent of the amounts made available to carry out this section equally among eligible States; and

''(B) 50 percent of the amounts made available to carry out this section among eligible States in proportion to the quantity of nonhighway recreational fuel used in each eligible State during the preceding year.

''(j) ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—Whenever an apportionment is made under subsection (i) of the amounts made available to carry out this section, the Secretary shall first deduct an amount, not to exceed 1 percent of the authorized amounts, to pay the costs to the Secretary for administration of, and research authorized under, the program.

''(2) USE OF CONTRACTS.—To carry out research funded under paragraph (1), the Secretary may—

''(A) enter into contracts with for-profit organizations; and

''(B) enter into contracts, partnerships, or cooperative agreements with other government agencies, institutions of higher learning, or nonprofit organizations.

''(k) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $17,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, $22,000,000 for fiscal year 2000, $23,000,000 for fiscal year 2001, $24,000,000 for fiscal year 2002, and $25,000,000 for fiscal year 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that the Federal share of the cost of a project under this section shall be determined in accordance with this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The Intermodal Surface Transportation Efficiency Act of 1991 is amended by striking part B of title I (16 U.S.C. 1261 et seq.).

(2) The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 206 and inserting the following:

''206. Recreational trails program.''.

SEC. 1108. VALUE PRICING PILOT PROGRAM.

(a) IN GENERAL.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in the subsection heading, by striking ''CONGESTION'' and inserting ''VALUE''; and

(2) in paragraph (1), by striking ''congestion'' each place it appears and inserting ''value''.

(b) INCREASED NUMBER OF PROJECTS.—Section 1012(b)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence by striking ''5'' and inserting ''15''.

(c) ELIGIBILITY OF PREIMPLEMENTATION COSTS.— Section 1012(b)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence—

(1) by inserting after ''Secretary shall fund'' the following: ''all preimplementation costs and project design, and''; and

(2) by inserting after ''Secretary may not fund'' the following: ''the implementation costs of''.

(d) TOLLING.—Section 1012(b)(4) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking ''a pilot program under this section, but not on more than 3 of such programs'' and inserting ''any value pricing pilot program under this subsection''.

(e) HOV PASSENGER REQUIREMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking paragraph (6) and inserting the following:

''(6) HOV PASSENGER REQUIREMENTS.—Notwithstanding section 146(c) of title 23, United States Code, a State may permit vehicles with fewer than 2 occupants to operate in high occupancy vehicle lanes if the vehicles are part of a value pricing pilot program under this subsection.''.

(f) FUNDING.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by adding at the end the following:

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $8,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY.—

''(i) IN GENERAL.—Funds allocated by the Secretary to a State under this subsection shall remain available for obligation by the State for a period of 3 years after the last day of the fiscal year for which the funds are authorized.

''(ii) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this subsection but not allocated exceeds $8,000,000 as of September 30 of any year, the excess amount—

''(I) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

''(II) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

''(III) shall be available for any purpose eligible for funding under section 133 of that title.

''(C) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection and the availability of funds authorized by this paragraph shall be determined in accordance with this subsection.''.

(g) CONFORMING AMENDMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in paragraph (1), by striking ''projects'' each place it appears and inserting ''programs''; and

(2) in paragraph (5)—

(A) by striking ''projects'' and inserting ''programs''; and

(B) by striking ''traffic, volume'' and inserting ''traffic volume''.

SEC. 1109. HIGHWAY USE TAX EVASION PROJECTS.

(a) IN GENERAL.—Section 143 of title 23, United States Code, is amended to read as follows:

"§ 143. Highway use tax evasion projects

''(a) DEFINITION OF STATE.—In this section, the term 'State' means the 50 States and the District of Columbia.

''(b) PROJECTS.—

''(1) IN GENERAL.—The Secretary shall use funds made available under paragraph (7) to carry out highway use tax evasion projects in accordance with this subsection.

''(2) ALLOCATION OF FUNDS.—The funds may be allocated to the Internal Revenue Service and the States at the discretion of the Secretary.

''(3) CONDITIONS ON FUNDS ALLOCATED TO INTERNAL REVENUE SERVICE.—The Secretary shall not impose any condition on the use of funds allocated to the Internal Revenue Service under this subsection.

''(4) LIMITATION ON USE OF FUNDS.—Funds made available under paragraph (7) shall be used only—

''(A) to expand efforts to enhance motor fuel tax enforcement;

''(B) to fund additional Internal Revenue Service staff, but only to carry out functions described in this paragraph;

''(C) to supplement motor fuel tax examinations and criminal investigations;

''(D) to develop automated data processing tools to monitor motor fuel production and sales;

''(E) to evaluate and implement registration and reporting requirements for motor fuel taxpayers;

''(F) to reimburse State expenses that supplement existing fuel tax compliance efforts; and

''(G) to analyze and implement programs to reduce tax evasion associated with other highway use taxes.

''(5) MAINTENANCE OF EFFORT.—The Secretary may not make an allocation to a State under this subsection for a fiscal year unless the State certifies that the aggregate expenditure of funds of the State, exclusive of Federal funds, for motor fuel tax enforcement activities will be maintained at a level that does not fall below the average level of such expenditure for the preceding 2 fiscal years of the State.

''(6) FEDERAL SHARE.—The Federal share of the cost of a project carried out under this subsection shall be 100 percent.

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $5,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY OF FUNDS.—Funds authorized under this paragraph shall remain available for obligation for a period of 1 year after the last day of the fiscal year for which the funds are authorized.

''(c) EXCISE FUEL REPORTING SYSTEM.—

''(1) IN GENERAL.—Not later than April 1, 1998, the Secretary shall enter into a memorandum of understanding with the Commissioner of the Internal Revenue Service for the purposes of the development and maintenance by the Internal Revenue Service of an excise fuel reporting system (referred to in this subsection as the 'system').

''(2) ELEMENTS OF MEMORANDUM OF UNDERSTANDING.—The memorandum of understanding shall provide that—

''(A) the Internal Revenue Service shall develop and maintain the system through contracts;

''(B) the system shall be under the control of the Internal Revenue Service; and

''(C) the system shall be made available for use by appropriate State and Federal revenue, tax, or law enforcement authorities, subject to section 6103 of the Internal Revenue Code of 1986.

''(3) AUTHORIZATION OF APPROPRIATIONS FROM HIGHWAY TRUST FUND.—There are authorized to be appropriated to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection—

''(A) $8,000,000 for development of the system; and

''(B) $2,000,000 for each of fiscal years 1998 through 2003 for operation and maintenance of the system.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 143 and inserting the following:

''143. Highway use tax evasion projects.''.

(2) Section 1040 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1992) is repealed.

(3) Section 8002 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 2203) is amended—

(A) in the first sentence of subsection (g), by striking ''section 1040 of this Act'' and inserting ''section 143 of title 23, United States Code,''; and

(B) by striking subsection (h).

SEC. 1110. BICYCLE TRANSPORTATION AND PEDESTRIAN WALKWAYS.

Section 217 of title 23, United States Code, is amended—

(1) in subsection (b)—

(A) by inserting ''pedestrian walkways and'' after ''construction of''; and

(B) by striking ''(other than the Interstate System)'';

(2) in subsection (e), by striking '', other than a highway access to which is fully controlled,'';

(3) by striking subsection (g) and inserting the following:

''(g) PLANNING AND DESIGN.—

''(1) IN GENERAL.—Bicyclists and pedestrians shall be given consideration in the comprehensive transportation plans developed by each metropolitan planning organization and State in accordance with sections 134 and 135, respectively.

''(2) CONSTRUCTION.—Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation facilities, except where bicycle and pedestrian use are not permitted.

''(3) SAFETY AND CONTIGUOUS ROUTES.—Transportation plans and projects shall provide consideration for safety and contiguous routes for bicyclists and pedestrians.'';

(4) in subsection (h)—

(A) by striking ''No motorized vehicles shall'' and inserting ''Motorized vehicles may not''; and

(B) by striking paragraph (3) and inserting the following:

''(3) wheelchairs that are powered; and'';

(5) by striking subsection (j) and inserting the following:

''(j) DEFINITIONS.—In this section:

''(1) BICYCLE TRANSPORTATION FACILITY.—The term 'bicycle transportation facility' means a new or improved lane, path, or shoulder for use by bicyclists or a traffic control device, shelter, or parking facility for bicycles.

''(2) PEDESTRIAN.—The term 'pedestrian' means any person traveling by foot or any mobility impaired person using a wheelchair.

''(3) WHEELCHAIR.—The term 'wheelchair' means a mobility aid, usable indoors, and designed for and used by individuals with mobility impairments, whether operated manually or powered.''.

SEC. 1111. DISADVANTAGED BUSINESS ENTERPRISES.

(a) GENERAL RULE.—Except to the extent that the Secretary determines otherwise, not less than 10 percent of the amounts made available for any program under titles I and II of this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

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

(1) SMALL BUSINESS CONCERN.—The term ''small business concern'' has the meaning such term has under section 3 of the Small Business Act (15 U.S.C. 632); except that such term shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has average annual gross receipts over the preceding 3 fiscal years in excess of $16,600,000, as adjusted by the Secretary for inflation.

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term ''socially and economically disadvantaged individuals'' has the meaning such term has under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto; except that women shall be presumed to be socially and economically disadvantaged individuals for purposes of this section.

(c) ANNUAL LISTING OF DISADVANTAGED BUSINESS ENTERPRISES.—Each State shall annually survey and compile a list of the small business concerns referred to in subsection (a) and the location of such concerns in the State and notify the Secretary, in writing, of the percentage of such concerns which are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are women and are otherwise socially and economically disadvantaged individuals.

(d) UNIFORM CERTIFICATION.—The Secretary shall establish minimum uniform criteria for State governments to use in certifying whether a concern qualifies for purposes of this section. Such minimum uniform criteria shall include but not be limited to on-site visits, personal interviews, licenses, analysis of stock ownership, listing of equipment, analysis of bonding capacity, listing of work completed, resume of principal owners, financial capacity, and type of work preferred.

SEC. 1112. FEDERAL SHARE PAYABLE.

Section 120 of title 23, United States Code (as amended by section 1106(a)), is amended—

(1) in each of subsections (a) and (b), by adding at the end the following: ''In the case of any project subject to this subsection, a State may determine a lower Federal share than the Federal share determined under the preceding sentences of this subsection.''; and

(2) by adding at the end the following:

''(l) CREDIT FOR NON-FEDERAL SHARE.—

''(1) ELIGIBILITY.—A State may use as a credit toward the non-Federal share requirement for any program under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) or this title, other than the emergency relief program authorized by section 125, toll revenues that are generated and used by public, quasi-public, and private agencies to build, improve, or maintain, without the use of Federal funds, highways, bridges, or tunnels that serve the public purpose of interstate commerce.

''(2) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—The credit toward any non-Federal share under paragraph (1) shall not reduce nor replace State funds required

to match Federal funds for any program under this title.

''(B) CONDITIONS ON RECEIPT OF CREDIT.—

''(i) AGREEMENT WITH THE SECRETARY.—To receive a credit under paragraph (1) for a fiscal year, a State shall enter into such agreements as the Secretary may require to ensure that the State will maintain its non-Federal transportation capital expenditures at or above the average level of such expenditures for the preceding 3 fiscal years.

''(ii) EXCEPTION.—Notwithstanding clause (i), a State may receive a credit under paragraph (1) for a fiscal year if, for any 1 of the preceding 3 fiscal years, the non-Federal transportation capital expenditures of the State were at a level that was greater than 30 percent of the average level of such expenditures for the other 2 of the preceding 3 fiscal years.

''(3) TREATMENT.—

''(A) IN GENERAL.—Use of the credit toward a non-Federal share under paragraph (1) shall not expose the agencies from which the credit is received to additional liability, additional regulation, or additional administrative oversight.

''(B) CHARTERED MULTISTATE AGENCIES.—When credit is applied from a chartered multistate agency under paragraph (1), the credit shall be applied equally to all charter States.

''(C) NO ADDITIONAL STANDARDS.—A public, quasi-public, or private agency from which the credit for which the non-Federal share is calculated under paragraph (1) shall not be subject to any additional Federal design standards or laws (including regulations) as a result of providing the credit beyond the standards and laws to which the agency is already subject.''.

SEC. 1113. STUDIES AND REPORTS.

(a) HIGHWAY ECONOMIC REQUIREMENT SYSTEM.—

(1) METHODOLOGY.—

(A) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the methodology used by the Department of Transportation to determine highway needs using the highway economic requirement system (referred to in this subsection as the ''model'').

(B) REQUIRED ELEMENT.—The evaluation shall include an assessment of the extent to which the model estimates an optimal level of highway infrastructure investment, including an assessment as to when the model may be overestimating or underestimating investment requirements.

(C) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the evaluation.

(2) STATE INVESTMENT PLANS.—

(A) STUDY.—In consultation with State transportation departments and other appropriate State and local officials, the Comptroller General of the United States shall conduct a study on the extent to which the highway economic requirement system of the Federal Highway Administration can be used to provide States with useful information for developing State transportation investment plans and State infrastructure investment projections.

(B) REQUIRED ELEMENTS.—The study shall—

(i) identify any additional data that may need to be collected beyond the data submitted, prior to the date of enactment of this Act, to the Federal Highway Administration through the highway performance monitoring system; and

(ii) identify what additional work, if any, would be required of the Federal Highway Administration and the States to make the model useful at the State level.

(C) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(b) INTERNATIONAL ROUGHNESS INDEX.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the international roughness index that is used as an indicator of pavement quality on the Federal-aid highway system.

(2) REQUIRED ELEMENTS.—The study shall specify the extent of usage of the index and the extent to which the international roughness index measurement is reliable across different manufacturers and types of pavement.

(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(c) REPORTING OF RATES OF OBLIGATION.—Section 104 of title 23, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (m); and

(2) by inserting after subsection (i) the following:

''(j) REPORTING OF RATES OF OBLIGATION.—On an annual basis, the Secretary shall publish or otherwise report rates of obligation of funds apportioned or set aside under this section and sections 103 and 133 according to—

''(1) program;

''(2) funding category or subcategory;

''(3) type of improvement;

''(4) State; and

''(5) sub-State geographic area, including urbanized and rural areas, on the basis of the population of each such area.''.

SEC. 1114. DEFINITIONS.

(a) FEDERAL-AID HIGHWAY FUNDS AND PROGRAM.—

(1) IN GENERAL.—Section 101(a) of title 23, United States Code, is amended by inserting before the undesignated paragraph defining ''Federal-aid highways'' the following:

''The term 'Federal-aid highway funds' means funds made available to carry out the Federal-aid highway program.

''The term 'Federal-aid highway program' means all programs authorized under chapters 1, 3, and 5.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(d) of title 23, United States Code, is amended by striking ''the construction of Federal-aid highways or highway planning, research, or development'' and inserting ''the Federal-aid highway program''.

(B) Section 104(m)(1) of title 23, United States Code (as redesignated by section 1113(c)(1)), is amended by striking ''Federal-aid highways and the highway safety construction programs'' and inserting ''the Federal-aid highway program''.

(C) Section 107(b) of title 23, United States Code, is amended in the second sentence by striking ''Federal-aid highways'' and inserting ''the Federal-aid highway program''.

(b) ALPHABETIZATION OF DEFINITIONS.—Section 101(a) of title 23, United States Code, is amended by reordering the undesignated paragraphs so that they are in alphabetical order.

SEC. 1115. COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code (as amended by section 1107(a)), is amended by inserting after section 206 the following:

''§ 207. Cooperative Federal Lands Transportation Program

''(a) IN GENERAL.—There is established the Cooperative Federal Lands Transportation Program (referred to in this section as the 'program'). Funds available for the program may be used for projects, or portions of projects, on highways that are owned or maintained by States or political subdivisions of States and that cross, are adjacent to, or lead to federally owned land or Indian reservations (including Army Corps of Engineers reservoirs), as determined by the State. Such projects shall be proposed by a State and selected by the Secretary. A project proposed by a State under this section shall be on a highway or bridge owned or maintained by the State, or 1 or more political subdivisions of the State, and may be a highway or bridge construction or maintenance project eligible under this title or any project of a type described in section 204(h).

''(b) DISTRIBUTION OF FUNDS FOR PROJECTS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The Secretary—

''(i) after consultation with the Administrator of General Services, the Secretary of the Interior, and other agencies as appropriate (including the Army Corps of Engineers), shall determine the percentage of the total land in each State that is owned by the Federal Government or that is held by the Federal Government in trust;

''(ii) shall determine the sum of the percentages determined under clause (i) for States with respect to which the percentage is 4.5 or greater; and

''(iii) shall determine for each State included in the determination under clause (ii) the percentage obtained by dividing—

''(I) the percentage for the State determined under clause (i); by

''(II) the sum determined under clause (ii).

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A)(iii) that is greater than 7.5 percent to 7.5 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i) among other States included in the determination under subparagraph (A)(ii) in proportion to the percentages for those States determined under subparagraph (A)(iii).

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall make funds available to carry out eligible projects in a State in an amount equal to the amount obtained by multiplying—

''(A) the percentage for the State, if any, determined under paragraph (1); by

''(B) the funds made available for the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline may not be earlier than January 1, 1998. For each fiscal year, if a State does not have pending, by that deadline, applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(c) TRANSFERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a State and the Secretary may agree to transfer amounts made available to a State under this section to the allocations of the State under section 202 for use in carrying out projects on any Federal lands highway that is located in the State.

''(2) SPECIAL RULE.—This paragraph applies to a State that contains a national park that was visited by more than 2,500,000 people in 1996 and comprises more than 3,000 square miles of land area, including surface water, that is located in the State. For such a

State, 50 percent of the amount that would otherwise be made available to the State for each fiscal year under the program shall be made available only for eligible highway uses in the national park and within the borders of the State. For the purpose of making allocations under section 202(c), the Secretary may not take into account the past or future availability, for use on park roads and parkways in a national park, of funds made available for use in a national park by this paragraph.I20 ''(d) RIGHTS-OF-WAY ACROSS FEDERAL LAND.—Nothing in this section affects any claim for a right-of-way across Federal land.

''(e) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $74,000,000 for each of fiscal years 1998 through 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 207 and inserting the following:

''207. Cooperative Federal Lands Transportation Program.''.

SEC. 1116. TRADE CORRIDOR AND BORDER CROSSING PLANNING AND BORDER INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) BORDER REGION.—The term ''border region'' means—

(A) the region located within 60 miles of the United States border with Mexico; and

(B) the region located within 60 miles of the United States border with Canada.

(2) BORDER STATE.—The term ''border State'' means a State of the United States that—

(A) is located along the border with Mexico; or

(B) is located along the border with Canada.

(3) BORDER STATION.—The term ''border station'' means a controlled port of entry into the United States located in the United States at the border with Mexico or Canada, consisting of land occupied by the station and the buildings, roadways, and parking lots on the land.

(4) FEDERAL INSPECTION AGENCY.—The term ''Federal inspection agency'' means a Federal agency responsible for the enforcement of immigration laws (including regulations), customs laws (including regulations), and agriculture import restrictions, including the United States Customs Service, the Immigration and Naturalization Service, the Animal and Plant Health Inspection Service, the Food and Drug Administration, the United States Fish and Wildlife Service, and the Department of State.

(5) GATEWAY.—The term ''gateway'' means a grouping of border stations defined by proximity and similarity of trade.

(6) NON-FEDERAL GOVERNMENTAL JURISDICTION.—The term ''non-Federal governmental jurisdiction'' means a regional, State, or local authority involved in the planning, development, provision, or funding of transportation infrastructure needs.

(b) BORDER CROSSING PLANNING INCENTIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall make incentive grants to States and to metropolitan planning organizations designated under section 134 of title 23, United States Code.

(2) USE OF GRANTS.—The grants shall be used to encourage joint transportation planning activities and to improve people and vehicle movement into and through international gateways as a supplement to statewide and metropolitan transportation planning funding made available under other provisions of this Act and under title 23, United States Code.

(3) CONDITION OF GRANTS.—As a condition of receiving a grant under paragraph (1), a State transportation department or a metropolitan planning organization shall certify to the Secretary that it commits to be engaged in joint planning with its counterpart agency in Mexico or Canada.

(4) LIMITATION ON AMOUNT.—Each State transportation department or metropolitan planning organization may receive not more than $100,000 under this subsection for any fiscal year.

(5) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $1,400,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(c) TRADE CORRIDOR PLANNING INCENTIVE GRANTS.—

(1) GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States to encourage, within the framework of the statewide transportation planning process of the State under section 135 of title 23, United States Code, cooperative multistate corridor analysis of, and planning for, the safe and efficient movement of goods along and within international or interstate trade corridors of national importance.

(B) IDENTIFICATION OF CORRIDORS.—Each corridor referred to in subparagraph (A) shall be cooperatively identified by the States along the corridor.

(2) CORRIDOR PLANS.—

(A) IN GENERAL.—As a condition of receiving a grant under paragraph (1), a State shall enter into an agreement with the Secretary that specifies that, in cooperation with the other States along the corridor, the State will submit a plan for corridor improvements to the Secretary not later than 2 years after receipt of the grant.

(B) COORDINATION OF PLANNING.—Planning with respect to a corridor under this subsection shall be coordinated with transportation planning being carried out by the States and metropolitan planning organizations along the corridor and, to the extent appropriate, with transportation planning being carried out by Federal land management agencies, by tribal governments, or by government agencies in Mexico or Canada.

(3) MULTISTATE AGREEMENTS FOR TRADE CORRIDOR PLANNING.—The consent of Congress is granted to any 2 or more States—

(A) to enter into multistate agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of interstate trade corridor planning activities; and

(B) to establish such agencies, joint or otherwise, as the States may determine desirable to make the agreements effective.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $3,000,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(d) FEDERAL ASSISTANCE FOR TRADE CORRIDORS AND BORDER INFRASTRUCTURE SAFETY AND CONGESTION RELIEF.—

(1) APPLICATIONS FOR GRANTS.—The Secretary shall make grants to States or metropolitan planning organizations that submit an application that—

(A) demonstrates need for assistance in carrying out transportation projects that are necessary to relieve traffic congestion or improve enforcement of motor carrier safety laws; and

(B) includes strategies to involve both the public and private sectors in the proposed project.

(2) SELECTION OF STATES, METROPOLITAN PLANNING ORGANIZATIONS, AND PROJECTS TO RECEIVE GRANTS.—In selecting States, metropolitan planning organizations, and projects to receive grants under this subsection, the Secretary shall consider—

(A) the annual volume of commercial vehicle traffic at the border stations or ports of entry of each State as compared to the annual volume of commercial vehicle traffic at the border stations or ports of entry of all States;

(B) the extent to which commercial vehicle traffic in each State has grown since the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182) as compared to the extent to which that traffic has grown in each other State;

(C) the extent of border transportation improvements carried out by each State since the date of enactment of that Act;

(D) the reduction in commercial and other travel time through a major international gateway expected as a result of the project;

(E) the extent of leveraging of Federal funds provided under this subsection, including—

(i) use of innovative financing;

(ii) combination with funding provided under other sections of this Act and title 23, United States Code; and

(iii) combination with other sources of Federal, State, local, or private funding;

(F) improvements in vehicle and highway safety and cargo security in and through the gateway concerned;

(G) the degree of demonstrated coordination with Federal inspection agencies;

(H) the extent to which the innovative and problem solving techniques of the proposed project would be applicable to other border stations or ports of entry;

(I) demonstrated local commitment to implement and sustain continuing comprehensive border planning processes and improvement programs; and

(J) other factors to promote transport efficiency and safety, as determined by the Secretary.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A grant under this subsection shall be used to develop project plans, and implement coordinated and comprehensive programs of projects, to improve efficiency and safety.

(B) TYPE OF PLANS AND PROGRAMS.—The plans and programs may include—

(i) improvements to transport and supporting infrastructure;

(ii) improvements in operational strategies, including electronic data interchange and use of telecommunications to expedite vehicle and cargo movement;

(iii) modifications to regulatory procedures to expedite vehicle and cargo flow;

(iv) new infrastructure construction;

(v) purchase, installation, and maintenance of weigh-in-motion devices and associated electronic equipment in Mexico or Canada if real time data from the devices is provided to the nearest border station and to State commercial vehicle enforcement facilities that serve the border station; and

(vi) other institutional improvements, such as coordination of binational planning, programming, and border operation, with special emphasis on coordination with—

(I) Federal inspection agencies; and

(II) their counterpart agencies in Mexico and Canada.

(4) CONSTRUCTION OF TRANSPORTATION INFRASTRUCTURE FOR LAW ENFORCEMENT PURPOSES.—At the request of the Administrator of General Services, in consultation with the Attorney General, the Secretary may transfer, during the period of fiscal years 1998 through 2001, not more than $10,000,000 of the amounts made available under paragraph (5) to the Administrator of General Services for the construction of transportation infrastructure necessary for law enforcement in border States.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $125,000,000 for each of fiscal years 1998 through 2003.

(e) COORDINATION OF PLANNING.—

(1) PLANNING AND DEVELOPMENT OF BORDER STATIONS.—The General Services Administration shall be the coordinating Federal agency in the planning and development of new or expanded border stations.

(2) COOPERATIVE ACTIVITIES.—In carrying out paragraph (1), the Administrator of General Services shall cooperate with Federal inspection agencies and non-Federal governmental jurisdictions to ensure that—

(A) improvements to border station facilities take into account regional and local conditions, including the alignment of highway systems and connecting roadways; and

(B) all facility requirements, associated costs, and economic impacts are identified.

(f) COST SHARING.—A grant under this section shall be used to pay the Federal share of the cost of a project. The Federal share shall not exceed 80 percent.

(g) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this section but not allocated exceeds $4,000,000 as of September 30 of any year, the excess amount—

(1) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

(2) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

(3) shall be available for any purpose eligible for funding under section 133 of that title.

SEC. 1117. APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

(a) AVAILABILITY, RELEASE, AND REALLOCATION OF FUNDS.—Section 201(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the second sentence, by inserting before the period at the end the following: ", except that each allocation to a State shall remain available for expenditure in the State for the fiscal year in which the allocation is allocated and for the 3 following fiscal years"; and

(2) by inserting after the second sentence the following: "Funds authorized under this section for fiscal year 1998 or a fiscal year thereafter, and not expended by a State during the 4 fiscal years referred to in the preceding sentence, shall be released to the Commission for reallocation and shall remain available until expended.".

(b) SUBSTITUTE CORRIDOR.—Section 201(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking "(b) The Commission" and inserting the following:

"(b) DESIGNATIONS.—

"(1) IN GENERAL.—The Commission"; and

(3) by adding at the end the following:

"(2) SUBSTITUTE CORRIDOR.—In lieu of Corridor H in Virginia, the Appalachian development highway system shall include the Virginia portion of the segment identified in section 1105(c)(29) of the Intermodal Surface Transportation Efficiency Act of 1991 (109 Stat. 597).".

(c) FEDERAL SHARE FOR PREFINANCED PROJECTS.—Section 201(h)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking "70 per centum" and inserting "80 percent".

(d) AUTHORIZATION OF CONTRACT AUTHORITY.—Section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking subsection (g) and inserting the following:

"(g) AUTHORIZATION OF CONTRACT AUTHORITY.—

"(1) IN GENERAL.—

"(A) FISCAL YEARS 1998 THROUGH 2003.—For the continued construction of the Appalachian development highway system approved as of September 30, 1996, in accordance with this section, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) $40,000,000 for each of fiscal years 1998 through 2000, $50,000,000 for fiscal year 2001, $60,000,000 for fiscal year 2002, and $70,000,000 for fiscal year 2003.

"(B) OBLIGATION AUTHORITY.—The Secretary shall provide equivalent amounts of obligation authority for the funds authorized under subparagraph (A).

"(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share shall be determined in accordance with this section and the funds shall remain available in accordance with subsection (a).".

SEC. 1118. INTERSTATE 4R AND BRIDGE DISCRETIONARY PROGRAM.

(a) IN GENERAL.—Section 104 of title 23, United States Code (as amended by section 1113(c)(1)), is amended by inserting after subsection (j) the following:

"(k) SET-ASIDE FOR INTERSTATE 4R AND BRIDGE PROJECTS.—

"(1) IN GENERAL.—For each of fiscal years 1998 through 2003, before any apportionment is made under subsection (b)(1), the Secretary shall set aside $70,000,000 from amounts to be apportioned under subsection (b)(1)(A), and $70,000,000 from amounts to be apportioned under subsection (b)(1)(B), for allocation by the Secretary—

"(A) for projects for resurfacing, restoring, rehabilitating, or reconstructing any route or portion of a route on the Interstate System (other than any highway designated as a part of the Interstate System under section 103(c)(4) and any toll road on the Interstate System that is not subject to an agreement under section 119(e) (as in effect on December 17, 1991) or an agreement under section 129(a));

"(B) for projects for a highway bridge the replacement, rehabilitation, or seismic retrofit cost of which is more than $10,000,000; and

"(C) for projects for a highway bridge the replacement, rehabilitation, or seismic retrofit cost of which is less than $10,000,000 if the cost is at least twice the amount reserved under section 144(c) by the State in which the bridge is located for the fiscal year in which application is made for an allocation for the bridge under this subsection.

"(2) REQUIRED ALLOCATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), for each of fiscal years 1998 through 2003, the Secretary shall allocate on October 1, for use for highway bridge projects, at least $20,000,000 of the amounts set aside under paragraph (1) to any State that—

"(i) is apportioned for fiscal year 1998 under paragraphs (1)(B), (1)(C)(i)(III), and (3)(A)(iii) of subsection (b) an amount that is less than the amount apportioned to the State for the highway bridge replacement and rehabilitation program under section 144 for fiscal year 1997; and

"(ii) was apportioned for that program for fiscal year 1997 an amount greater than $125,000,000.

"(B) EXCEPTION.—A State that transferred funds from the highway bridge replacement and rehabilitation program during any of fiscal years 1995 through 1997 in an amount greater than 10 percent of the apportionments for that program for the fiscal year shall not be eligible for an allocation under subparagraph (A).

"(C) ADDITIONAL ALLOCATION.—An allocation to a State under subparagraph (A) shall be in addition to any allocation to the State under paragraph (1).

"(3) AVAILABILITY TO STATES OF INTERSTATE 4R FUNDS.—The Secretary may grant the application of a State for funds made available for a fiscal year for a project described in paragraph (1)(A) if the Secretary determines that—

"(A) the State has obligated or demonstrates that it will obligate for the fiscal year all of the apportionments to the State under subparagraphs (A) and (B) of subsection (b)(1) other than an amount that, by itself, is insufficient to pay the Federal share of the cost of a project described in paragraph (1)(A) that has been submitted by the State to the Secretary for approval; and

"(B) the State is willing and able to—

"(i) obligate the funds within 1 year after the date on which the funds are made available;

"(ii) apply the funds to a project that is ready to be commenced; and

"(iii) in the case of construction work, begin work within 90 days after the date of obligation of the funds.

"(4) ELIGIBILITY OF CERTAIN BRIDGES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, any bridge that is owned and operated by an agency that does not have taxing powers and whose functions include operating a federally assisted public transit system subsidized by toll revenues shall be eligible for assistance under this subsection.

"(B) LIMITATION.—The amount of assistance under subparagraph (A) shall not exceed the cumulative amount that the agency has expended for capital and operating costs to subsidize the transit system.

"(C) DETERMINATION BY THE SECRETARY.—Before authorizing an expenditure of funds under this paragraph, the Secretary shall make a determination that the applicant agency has insufficient reserves, surpluses, and projected revenues (over and above those required for bridge and transit capital and operating costs) to fund the necessary bridge replacement, seismic retrofitting, or rehabilitation project.

"(D) CREDITING OF NON-FEDERAL FUNDS.—Any non-Federal funds expended for the seismic retrofit of the bridge may be credited toward the non-Federal share required as a condition of receipt of any Federal funds for

seismic retrofit of the bridge made available after the date of expenditure.

''(5) PERIOD OF AVAILABILITY OF DISCRETIONARY FUNDS.—Amounts made available under this subsection shall remain available until expended.''.

(b) CONFORMING AMENDMENT.—Section 118 of title 23, United States Code, is amended by striking subsection (c).

SEC. 1119. MAGNETIC LEVITATION TRANSPORTATION TECHNOLOGY DEPLOYMENT PROGRAM.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended by inserting after section 321 the following:

''§ 322. Magnetic levitation transportation technology deployment program

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE PROJECT COSTS.—The term 'eligible project costs' means the capital cost of the fixed guideway infrastructure of a MAGLEV project, including land, piers, guideways, propulsion equipment and other components attached to guideways, power distribution facilities (including substations), control and communications facilities, access roads, and storage, repair, and maintenance facilities, but not including costs incurred for a new station.

''(2) FULL PROJECT COSTS.—The term 'full project costs' means the total capital costs of a MAGLEV project, including eligible project costs and the costs of stations, vehicles, and equipment.

''(3) MAGLEV.—The term 'MAGLEV' means transportation systems employing magnetic levitation that would be capable of safe use by the public at a speed in excess of 240 miles per hour.

''(4) PARTNERSHIP POTENTIAL.—The term 'partnership potential' has the meaning given the term in the commercial feasibility study of high-speed ground transportation conducted under section 1036 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 1978).

''(b) ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall make available financial assistance to provide the Federal share of full project costs of eligible projects selected under this section.

''(2) FEDERAL SHARE.—The Federal share of full project costs under paragraph (1) shall be not more than ⅔.

''(3) USE OF ASSISTANCE.—Financial assistance provided under paragraph (1) shall be used only to pay eligible project costs of projects selected under this section.

''(c) SOLICITATION OF APPLICATIONS FOR ASSISTANCE.—Not later than 180 days after the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997, the Secretary shall solicit applications from States, or authorities designated by 1 or more States, for financial assistance authorized by subsection (b) for planning, design, and construction of eligible MAGLEV projects.

''(d) PROJECT ELIGIBILITY.—To be eligible to receive financial assistance under subsection (b), a project shall—

''(1) involve a segment or segments of a high-speed ground transportation corridor that exhibit partnership potential;

''(2) require an amount of Federal funds for project financing that will not exceed the sum of—

''(A) the amounts made available under subsection (h)(1)(A); and

''(B) the amounts made available by States under subsection (h)(4);

''(3) result in an operating transportation facility that provides a revenue producing service;

''(4) be undertaken through a public and private partnership, with at least ⅓ of full project costs paid using non-Federal funds;

''(5) satisfy applicable statewide and metropolitan planning requirements;

''(6) be approved by the Secretary based on an application submitted to the Secretary by a State or authority designated by 1 or more States;

''(7) to the extent that non-United States MAGLEV technology is used within the United States, be carried out as a technology transfer project; and

''(8) be carried out using materials at least 70 percent of which are manufactured in the United States.

''(e) PROJECT SELECTION CRITERIA.—Prior to soliciting applications, the Secretary shall establish criteria for selecting which eligible projects under subsection (d) will receive financial assistance under subsection (b). The criteria shall include the extent to which—

''(1) a project is nationally significant, including the extent to which the project will demonstrate the feasibility of deployment of MAGLEV technology throughout the United States;

''(2) timely implementation of the project will reduce congestion in other modes of transportation and reduce the need for additional highway or airport construction;

''(3) States, regions, and localities financially contribute to the project;

''(4) implementation of the project will create new jobs in traditional and emerging industries;

''(5) the project will augment MAGLEV networks identified as having partnership potential;

''(6) financial assistance would foster public and private partnerships for infrastructure development and attract private debt or equity investment;

''(7) financial assistance would foster the timely implementation of a project; and

''(8) life-cycle costs in design and engineering are considered and enhanced.

''(f) PROJECT SELECTION.—Not later than 90 days after a deadline established by the Secretary for the receipt of applications, the Secretary shall evaluate the eligible projects in accordance with the selection criteria and select 1 eligible project for financial assistance.

''(g) JOINT VENTURES.—A project undertaken by a joint venture of United States and non-United States persons (including a project involving the deployment of non-United States MAGLEV technology in the United States) shall be eligible for financial assistance under this section if the project is eligible under subsection (d) and selected under subsection (f).

''(h) FUNDING.—

''(1) IN GENERAL.—

''(A) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $10,000,000 for fiscal year 1999 and $20,000,000 for fiscal year 2000.

''(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that—

''(I) the Federal share of the cost of a project carried out under this section shall be determined in accordance with subsection (b); and

''(II) the availability of the funds shall be determined in accordance with paragraph (2).

''(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $200,000,000 for each of fiscal years 2000 and 2001, $250,000,000 for fiscal year 2002, and $300,000,000 for fiscal year 2003.

''(2) AVAILABILITY OF FUNDS.—Funds made available under paragraph (1) shall remain available until expended.

''(3) OTHER FEDERAL FUNDS.—Notwithstanding any other provision of law, funds made available to a State to carry out the surface transportation program under section 133 and the congestion mitigation and air quality improvement program under section 149 may be used by the State to pay a portion of the full project costs of an eligible project selected under this section, without requirement for non-Federal funds.

''(4) OTHER ASSISTANCE.—Notwithstanding any other provision of law, an eligible project selected under this section shall be eligible for other forms of financial assistance provided under this title and the Transportation Infrastructure Finance and Innovation Act of 1997, including loans, loan guarantees, and lines of credit.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 3 of title 23, United States Code, is amended by inserting after the item relating to section 321 the following:

''322. Magnetic levitation transportation technology deployment program.''.

SEC. 1120. WOODROW WILSON MEMORIAL BRIDGE.

(a) DEFINITIONS.—Section 404 of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 628) is amended—

(1) in paragraph (3), by striking '', including approaches thereto''; and

(2) in paragraph (5), by striking ''to be determined under section 407. Such'' and all that follows and inserting the following: ''as described in the record of decision executed by the Secretary in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The term includes ongoing short-term rehabilitation and repairs to the Bridge.''.

(b) OWNERSHIP OF BRIDGE.—

(1) CONVEYANCE BY THE SECRETARY.—Section 407(a)(1) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 630) is amended by inserting ''or any Capital Region jurisdiction'' after ''Authority'' each place it appears.

(2) AGREEMENT.—Section 407 of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 630) is amended by striking subsection (c) and inserting the following:

''(c) AGREEMENT.—

''(1) IN GENERAL.—The agreement referred to in subsection (a) is an agreement concerning the Project that is executed by the Secretary and the Authority or any Capital Region jurisdiction that accepts ownership of the Bridge.

''(2) TERMS OF THE AGREEMENT.—The agreement shall—

''(A) identify whether the Authority or a Capital Region jurisdiction will accept ownership of the Bridge;

''(B) contain a financial plan satisfactory to the Secretary, which shall be prepared before the execution of the agreement, that specifies—

''(i) the total cost of the Project, including any cost-saving measures;

''(ii) a schedule for implementation of the Project, including whether any expedited design and construction techniques will be used; and

''(iii) the sources of funding that will be used to cover any costs of the Project not funded from funds made available under section 412; and

''(C) contain such other terms and conditions as the Secretary determines to be appropriate.''.

(c) FEDERAL CONTRIBUTION.—The Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 627) is amended by adding at the end the following:

"SEC. 412. FEDERAL CONTRIBUTION.

''(a) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) $100,000,000 for fiscal year 1998, $100,000,000 for fiscal year 1999, $125,000,000 for fiscal year 2000, $175,000,000 for fiscal year 2001, $200,000,000 for fiscal year 2002, and $200,000,000 for fiscal year 2003, to pay the costs of planning, preliminary engineering and design, final engineering, acquisition of rights-of-way, and construction of the Project, except that the costs associated with the Bridge shall be given priority over other eligible costs, other than design costs, of the Project.

''(2) CONTRACT AUTHORITY.—Funds authorized under this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that—

''(A) the funds shall remain available until expended;

''(B) the Federal share of the cost of the Bridge component of the Project shall not exceed 100 percent; and

''(C) the Federal share of the cost of any other component of the Project shall not exceed 80 percent.

''(b) USE OF APPORTIONED FUNDS.—Nothing in this title limits the authority of any Capital Region jurisdiction to use funds apportioned to the jurisdiction under paragraph (1) or (3) of section 104(b) of title 23, United States Code, in accordance with the requirements for such funds, to pay any costs of the Project.

''(c) AVAILABILITY OF APPORTIONED FUNDS.—None of the funds made available under this section shall be available before the execution of the agreement described in section 407(c), except that the Secretary may fund the maintenance and rehabilitation of the Bridge and the design of the Project.''.

(d) CONFORMING AMENDMENT.—Section 405(b)(1) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 629) is amended by striking ''the Signatories as to the Federal share of the cost of the Project and the terms and conditions related to the timing of the transfer of the Bridge to''.

SEC. 1121. NATIONAL HIGHWAY SYSTEM COMPONENTS.

The National Highway System consists of the routes and transportation facilities depicted on the map submitted by the Secretary to Congress with the report entitled ''Pulling Together: The National Highway System and its Connections to Major Intermodal Terminals'' and dated May 24, 1996.

SEC. 1122. HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION.

(a) IN GENERAL.—Section 144 of title 23, United States Code, is amended—

(1) in the section heading, by striking ''**program**'';

(2) by striking subsections (a) through (n), (p), and (q);

(3) by inserting after the section heading the following:

''(a) DEFINITION OF REHABILITATE.—In this section, the term 'rehabilitate' (in any of its forms), with respect to a bridge, means to carry out major work necessary—

''(1) to address the structural deficiencies, functional obsolescence, or physical deterioration of the bridge; or

''(2) to correct a major safety defect of the bridge, including seismic retrofitting.

''(b) BRIDGE INVENTORY.—

''(1) IN GENERAL.—In consultation with the States, the Secretary shall—

''(A) annually inventory all highway bridges on public roads that cross waterways, other topographical barriers, other highways, and railroads;

''(B) classify each such bridge according to serviceability, safety, and essentiality for public use;

''(C) assign each such bridge a priority for replacement or rehabilitation based on the classification under subparagraph (B); and

''(D) determine the cost of replacing each such bridge with a comparable facility or the cost of rehabilitating the bridge.

''(2) CONSULTATION.—In preparing an inventory of highway bridges on Indian reservation roads and park roads under paragraph (1), the Secretary shall consult with the Secretary of the Interior and the States.

''(3) INVENTORY OF HISTORICAL BRIDGES.—At the request of a State, the Secretary may inventory''.

AMENDMENT NO. 1501

At the appropriate place, insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $11,424,610,000 for fiscal year 1998, $11,253,610,000 for fiscal year 1999, $11,264,910,000 for fiscal year 2000, $11,364,910,000 for fiscal year 2001, $11,692,910,000 for fiscal year 2002, and $12,228,910,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes that are open to traffic on the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997 in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes that are open to traffic on the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997 in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete

bridges on principal arterial routes (excluding bridges on Interstate System routes) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.''

AMENDMENT NO. 1502

Beginning on page 5, strike line 1 and all that follows through page 20, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $9,962,005,000 for fiscal year 1998, $9,791,005,000 for fiscal year 1999, $9,802,305,000 for fiscal year 2000, $9,902,305,000 for fiscal year 2001, $10,230,305,000 for fiscal year 2002, and $10,766,305,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 34 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States;

''(ii) 34 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States; and

''(iii) 32 percent in the ratio that—

''(I) the total miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than on routes on toll roads not subject to an agreement with the Secretary under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); or

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

that are in less than good condition (as determined by the Secretary) in each State; bears to

''(II) the total of all such miles in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 20 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 18 percent of the apportionments in the ratio that—

''(aa) the total miles of principal arterial routes (excluding Interstate System routes) that are in less than good condition (as determined by the Secretary) in each State; bears to

''(bb) the total miles of principal arterial routes (excluding Interstate System routes) that are in less than good condition (as determined by the Secretary) in all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the total miles of Federal-aid highways that are in less than good condition (as determined by the Secretary) in each State; bears to

''(II) the total miles of Federal-aid highways that are in less than good condition (as determined by the Secretary) in all States.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

AMENDMENT NO. 1503

Beginning on page 5, strike line 1 and all that follows through page 20, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $10,406,192,000 for fiscal year 1998, $10,235,192,000 for fiscal year 1999, $10,246,492,000 for fiscal year 2000, $10,346,492,000 for fiscal year 2001, $10,674,492,000 for fiscal year 2002, and $11,210,492,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 34 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States;

''(ii) 34 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States; and

''(iii) 32 percent in the ratio that—

''(I) The total ton-miles of through shipment by truck in each State; bears to

''(II) the total ton-miles of through shipments by truck in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DEFINITION OF THROUGH SHIPMENT.—In this paragraph the term 'through shipment' means a shipment of property that originates outside a State, travels through the State, and terminates outside the State.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the total ton-miles of through shipments by truck in each State, bears to

''(II) the total ton-miles of shipments by truck in all States.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

''(D) DEFINITION OF THROUGH SHIPMENT.—In this paragraph the term 'through shipment' means a shipment of property or special purpose equipment that originates outside a State, travels through the State, and terminates outside the State.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law,

deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

AMENDMENT NO. 1504

Beginning on page 5, strike line 1 and all that follows through page 106, line 25, and insert the following:

TITLE I—SURFACE TRANSPORTATION

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Surface Transportation Act of 1997''.

Subtitle A—General Provisions

SEC. 1101. AUTHORIZATIONS.

For the purpose of carrying out title 23, United States Code, the following sums shall be available from the Highway Trust Fund (other than the Mass Transit Account):

(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—For the Interstate and National Highway System program under section 103 of that title $11,844,359,000 for fiscal year 1998, $11,658,000,000 for fiscal year 1999, $11,668,000,000 for fiscal year 2000, $11,768,000,000 for fiscal year 2001, $12,170,000,000 for fiscal year 2002, and $12,700,000,000 for fiscal year 2003, of which—

(A) $4,600,000,000 for fiscal year 1998, $4,609,000,000 for fiscal year 1999, $4,637,000,000 for fiscal year 2000, $4,674,000,000 for fiscal year 2001, $4,773,000,000 for fiscal year 2002, and $4,918,000,000 for fiscal year 2003 shall be available for the Interstate maintenance component; and

(B) $1,400,000,000 for fiscal year 1998, $1,403,000,000 for fiscal year 1999, $1,411,000,000 for fiscal year 2000, $1,423,000,000 for fiscal year 2001, $1,453,000,000 for fiscal year 2002, and $1,497,000,000 for fiscal year 2003 shall be available for the Interstate bridge component.

(2) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $7,000,000,000 for fiscal year 1998, $7,014,000,000 for fiscal year 1999, $7,056,000,000 for fiscal year 2000, $7,113,000,000 for fiscal year 2001, $7,263,000,000 for fiscal year 2002, and $7,484,000,000 for fiscal year 2003.

(3) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $1,150,000,000 for fiscal year 1998, $1,152,000,000 for fiscal year 1999, $1,159,000,000 for fiscal year 2000, $1,169,000,000 for fiscal year 2001, $1,193,000,000 for fiscal year 2002, and $1,230,000,000 for fiscal year 2003.

(4) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $200,000,000 for each of fiscal years 1998 through 2003.

(B) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $90,000,000 for each of fiscal years 1998 through 2003.

(C) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $172,000,000 for each of fiscal years 1998 through 2003.

(D) COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.—For the Cooperative Federal Lands Transportation Program under section 207 of that title $74,000,000 for each of fiscal years 1998 through 2003.

SEC. 1102. APPORTIONMENTS.

(a) IN GENERAL.—Section 104 of title 23, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) APPORTIONMENTS.—On October 1 of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) and the set-asides authorized by subsection (f), shall apportion the remainder of the sums authorized to be appropriated for expenditure on the National Highway System, the congestion mitigation and air quality improvement program, and the surface transportation program, for that fiscal year, among the States in the following manner:

''(1) INTERSTATE AND NATIONAL HIGHWAY SYSTEM PROGRAM.—

''(A) INTERSTATE MAINTENANCE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System—

''(i) 50 percent in the ratio that—

''(I) the total lane miles on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such lane miles in all States; and

''(ii) 50 percent in the ratio that—

''(I) the total vehicle miles traveled on lanes on Interstate System routes designated under—

''(aa) section 103;

''(bb) section 139(a) before March 9, 1984 (other than routes on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)); and

''(cc) section 139(c) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997);

in each State; bears to

''(II) the total of all such vehicle miles traveled in all States.

''(B) INTERSTATE BRIDGE COMPONENT.—For resurfacing, restoring, rehabilitating, and reconstructing bridges on the Interstate System, in the ratio that—

''(i) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in each State; bears to

''(ii) the total square footage of structurally deficient and functionally obsolete bridges on the Interstate System (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692)) in all States.

''(C) OTHER NATIONAL HIGHWAY SYSTEM COMPONENT.—

''(i) IN GENERAL.—For the National Highway System (excluding funds apportioned under subparagraph (A) or (B)), $36,400,000 for each fiscal year to the Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands and the remainder apportioned as follows:

''(I) 20 percent of the apportionments in the ratio that—

''(aa) the total lane miles of principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total lane miles of principal arterial routes (excluding Interstate System routes) in all States.

''(II) 29 percent of the apportionments in the ratio that—

''(aa) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in each State; bears to

''(bb) the total vehicle miles traveled on lanes on principal arterial routes (excluding Interstate System routes) in all States.

''(III) 18 percent of the apportionments in the ratio that—

''(aa) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in each State; bears to

''(bb) the total square footage of structurally deficient and functionally obsolete bridges on principal arterial routes (excluding bridges on Interstate System routes (other than bridges on toll roads not subject to a Secretarial agreement under section 105 of the Federal-Aid Highway Act of 1978 (92 Stat. 2692))) in all States.

''(IV) 24 percent of the apportionments in the ratio that—

''(aa) the total diesel fuel used on highways in each State; bears to

''(bb) the total diesel fuel used on highways in all States.

''(V) 9 percent of the apportionments in the ratio that—

''(aa) the quotient obtained by dividing the total lane miles on principal arterial highways in each State by the total population of the State; bears to

''(bb) the quotient obtained by dividing the total lane miles on principal arterial highways in all States by the total population of all States.

''(ii) DATA.—Each calculation under clause (i) shall be based on the latest available data.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding subparagraphs (A) through (C), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(2) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—

''(A) IN GENERAL.—For the congestion mitigation and air quality improvement program, in the ratio that—

''(i) the total of all weighted nonattainment and maintenance area populations in each State; bears to

''(ii) the total of all weighted nonattainment and maintenance area populations in all States.

''(B) CALCULATION OF WEIGHTED NONATTAINMENT AND MAINTENANCE AREA POPULATION.—Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of—

''(i) 0.8 if—

''(I) at the time of the apportionment, the area is a maintenance area; or

''(II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);

''(ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);

''(iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under that subpart;

''(iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under that subpart;

''(v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under that subpart;

''(vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under that subpart; or

''(vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

''(C) ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS.—

''(i) CARBON MONOXIDE NONATTAINMENT AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

''(ii) CARBON MONOXIDE MAINTENANCE AREAS.—If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of that Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

''(D) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.

''(E) DETERMINATIONS OF POPULATION.—In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

''(3) SURFACE TRANSPORTATION PROGRAM.—

''(A) IN GENERAL.—For the surface transportation program, in accordance with the following formula:

''(i) 20 percent of the apportionments in the ratio that—

''(I) the total lane miles of Federal-aid highways in each State; bears to

''(II) the total lane miles of Federal-aid highways in all States.

''(ii) 30 percent of the apportionments in the ratio that—

''(I) the total vehicle miles traveled on lanes on Federal-aid highways in each State; bears to

''(II) the total vehicle miles traveled on lanes on Federal-aid highways in all States.

''(iii) 25 percent of the apportionments in the ratio that—

''(I) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in each State; bears to

''(II) the total square footage of structurally deficient and functionally obsolete bridges on Federal-aid highways (excluding bridges described in subparagraphs (B) and (C)(i)(III) of paragraph (1)) in all States.

''(iv) 25 percent of the apportionments in the ratio that—

''(I) the estimated tax payments attributable to highway users in each State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available; bears to

''(II) the estimated tax payments attributable to highway users in all States paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(B) DATA.—Each calculation under subparagraph (A) shall be based on the latest available data.

''(C) MINIMUM APPORTIONMENT.—Notwithstanding subparagraph (A), each State shall receive a minimum of ½ of 1 percent of the funds apportioned under this paragraph.''.

(b) EFFECT OF CERTAIN AMENDMENTS.—Section 104 of title 23, United States Code, is amended by striking subsection (h) and inserting the following:

''(h) EFFECT OF CERTAIN AMENDMENTS.—Notwithstanding any other provision of law, deposits into the Highway Trust Fund resulting from the amendments made by section 901 of the Taxpayer Relief Act of 1997 shall not be taken into account in determining the apportionments and allocations that any State shall be entitled to receive under the Intermodal Surface Transportation Efficiency Act of 1997 and this title .''.

(c) ISTEA TRANSITION.—

(1) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall determine, with respect to each State—

(A) the total apportionments for the fiscal year under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program;

(B) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding apportionments for the Federal lands highways program under section 204 of that title;

(C) the annual average of the total apportionments during the period of fiscal years 1992 through 1997 for all Federal-aid highway programs (as defined in section 101 of title 23, United States Code), excluding—

(i) apportionments authorized under section 104 of that title for construction of the Interstate System;

(ii) apportionments for the Interstate substitute program under section 103(e)(4) of that title (as in effect on the day before the date of enactment of this Act);

(iii) apportionments for the Federal lands highways program under section 204 of that title; and

(iv) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(D) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (B); by

(ii) the applicable percentage determined under paragraph (2); and

(E) the product obtained by multiplying—

(i) the annual average of the total apportionments determined under subparagraph (C); by

(ii) the applicable percentage determined under paragraph (2).

(2) APPLICABLE PERCENTAGES.—

(A) FISCAL YEAR 1998.—For fiscal year 1998—

(i) the applicable percentage referred to in paragraph (1)(D)(ii) shall be 145 percent; and

(ii) the applicable percentage referred to in paragraph (1)(E)(ii) shall be 107 percent.

(B) FISCAL YEARS THEREAFTER.—For each of fiscal years 1999 through 2003, the applicable percentage referred to in paragraph (1)(D)(ii) or (1)(E)(ii), respectively, shall be a percentage equal to the product obtained by multiplying—

(i) the percentage specified in clause (i) or (ii), respectively, of subparagraph (A); by

(ii) the percentage that—

(I) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for the fiscal year; bears to

(II) the total contract authority made available under this Act and title 23, United States Code, for Federal-aid highway programs for fiscal year 1998.

(3) MAXIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, in the case of each State with respect to which the total apportionments determined under paragraph (1)(A) is greater than the product determined under paragraph (1)(D), the Secretary shall reduce proportionately the apportionments to the State under section 104 of title 23, United States Code, for the National Highway System component of the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program so that the total of the apportionments is equal to the product determined under paragraph (1)(D).

(B) REDISTRIBUTION OF FUNDS.—

(i) IN GENERAL.—Subject to clause (ii), funds made available under subparagraph (A) shall be redistributed proportionately under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, and the congestion mitigation and air quality improvement program, to States not subject to a reduction under subparagraph (A).

(ii) LIMITATION.—The ratio that—

(I) the total apportionments to a State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of clause (i); bears to

(II) the annual average of the total apportionments determined under paragraph (1)(B) with respect to the State;

may not exceed, in the case of fiscal year 1998, 145 percent, and, in the case of each of fiscal years 1999 through 2003, 145 percent as adjusted in the manner described in paragraph (2)(B).

(4) MINIMUM TRANSITION.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall apportion to each State such additional amounts as are necessary to ensure that—

(i) the total apportionments to the State under section 104 of title 23, United States Code, for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program, after the application of paragraph (3); is equal to

(ii) the greater of—

(I) the product determined with respect to the State under paragraph (1)(E); or

(II) the total apportionments to the State for fiscal year 1997 for all Federal-aid highway programs, excluding—

(aa) apportionments for the Federal lands highways program under section 204 of title 23, United States Code;

(bb) adjustments to sums apportioned under section 104 of that title due to the hold harmless adjustment under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943); and

(cc) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240).

(B) OBLIGATION.—Amounts apportioned under subparagraph (A)—

(i) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(I) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(II) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(ii) shall be available for any purpose eligible for funding under section 133 of that title; and

(iii) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(C) AUTHORIZATION OF CONTRACT AUTHORITY.—

(i) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this paragraph.

(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(d) MINIMUM GUARANTEE.—

(1) IN GENERAL.—Section 105 of title 23, United States Code, is amended to read as follows:

"§ 105. Minimum guarantee

''(a) ADJUSTMENT.—

''(1) IN GENERAL.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall allocate among the States amounts sufficient to ensure that—

''(A) the ratio that—

''(i) each State's percentage of the total apportionments for the fiscal year—

''(I) under section 104 for the Interstate and National Highway System program, the surface transportation program, metropolitan planning, and the congestion mitigation and air quality improvement program; and

''(II) under this section and section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997 for ISTEA transition; bears to

''(ii) each State's percentage of estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available;

is not less than 0.90; and

''(B) in the case of a State specified in paragraph (2), the State's percentage of the total apportionments for the fiscal year described in subclauses (I) and (II) of subparagraph (A)(i) is—

''(i) not less than the percentage specified for the State in paragraph (2); but

''(ii) not greater than the product determined for the State under section 1102(c)(1)(D) of the Intermodal Surface Transportation Efficiency Act of 1997 for the fiscal year.

''(2) STATE PERCENTAGES.—The percentage referred to in paragraph (1)(B) for a specified State shall be determined in accordance with the following table:

"State	Percentage
Alaska	1.24
Arkansas	1.33
Delaware	0.47
Hawaii	0.55
Idaho	0.82
Montana	1.06
Nevada	0.73
New Hampshire	0.52
New Jersey	2.41
New Mexico	1.05
North Dakota	0.73
Rhode Island	0.58
South Dakota	0.78
Vermont	0.47
Wyoming	0.76.

''(b) TREATMENT OF ALLOCATIONS.—

''(1) OBLIGATION.—Amounts allocated under subsection (a)—

''(A) shall be available for obligation when allocated and shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are allocated; and

''(B) shall be available for any purpose eligible for funding under this title.

''(2) SET-ASIDE.—Fifty percent of the amounts allocated under subsection (a) shall be subject to section 133(d)(3).

''(c) TREATMENT OF WITHHELD APPORTIONMENTS.—For the purpose of subsection (a), any funds that, but for section 158(b) or any other provision of law under which Federal-aid highway funds are withheld from apportionment, would be apportioned to a State for a fiscal year under a section referred to in subsection (a) shall be treated as being apportioned in that fiscal year.

''(d) AUTHORIZATION OF CONTRACT AUTHORITY.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are necessary to carry out this section.''.

(2) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 105 and inserting the following:

''105. Minimum guarantee.''.

(e) AUDITS OF HIGHWAY TRUST FUND.—Section 104 of title 23, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) AUDITS OF HIGHWAY TRUST FUND.—From available administrative funds deducted under subsection (a), the Secretary may reimburse the Office of Inspector General of the Department of Transportation for the conduct of annual audits of financial statements in accordance with section 3521 of title 31.''.

(f) TECHNICAL AMENDMENTS.—Section 104 of title 23, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting ''NOTIFICATION TO STATES.—'' after ''(e)'';

(B) in the first sentence—

(i) by striking ''(other than under subsection (b)(5) of this section)''; and

(ii) by striking ''and research'';

(C) by striking the second sentence; and

(D) in the last sentence, by striking '', except that'' and all that follows through ''such funds''; and

(2) in subsection (f)—

(A) by striking ''(f)(1) On'' and inserting the following:

''(f) METROPOLITAN PLANNING.—

''(1) SET-ASIDE.—On'';

(B) by striking ''(2) These'' and inserting the following:

''(2) APPORTIONMENT TO STATES OF SET-ASIDE FUNDS.—These'';

(C) by striking ''(3) The'' and inserting the following:

''(3) USE OF FUNDS.—The''; and

(D) by striking ''(4) The'' and inserting the following:

''(4) DISTRIBUTION OF FUNDS WITHIN STATES.—The''.

(g) CONFORMING AMENDMENTS.—

(1) Section 146(a) of title 23, United States Code, is amended in the first sentence by striking '', 104(b)(2), and 104(b)(6)'' and inserting ''and 104(b)(2)''.

(2)(A) Section 150 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 150.

(3) Section 158 of title 23, United States Code, is amended—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated)—

(I) by striking ''AFTER THE FIRST YEAR'' and inserting ''IN GENERAL''; and

(II) by striking '', 104(b)(2), 104(b)(5), and 104(b)(6)'' and inserting ''and 104(b)(2)''; and

(iv) in paragraph (2) (as redesignated by clause (ii)), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(B) by striking subsection (b) and inserting the following:

''(b) EFFECT OF WITHHOLDING OF FUNDS.—No funds withheld under this section from apportionment to any State after September 30, 1988, shall be available for apportionment to that State.''.

(4)(A) Section 157 of title 23, United States Code, is repealed.

(B) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 157.

(5)(A) Section 115(b)(1) of title 23, United States Code, is amended by striking ''or 104(b)(5), as the case may be,''.

(B) Section 137(f)(1) of title 23, United States Code, is amended by striking ''section 104(b)(5)(B) of this title'' and inserting ''section 104(b)(1)(A)''.

(C) Section 141(c) of title 23, United States Code, is amended by striking ''section 104(b)(5) of this title'' each place it appears and inserting ''section 104(b)(1)(A)''.

(D) Section 142(c) of title 23, United States Code, is amended by striking ''(other than section 104(b)(5)(A))''.

(E) Section 159 of title 23, United States Code, is amended—

(i) by striking ''(5) of'' each place it appears and inserting ''(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997) of''; and

(ii) in subsection (b)—

(I) in paragraphs (1)(A)(i) and (3)(A), by striking ''section 104(b)(5)(A)'' each place it appears and inserting ''section 104(b)(5)(A) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(II) in paragraph (1)(A)(ii), by striking ''section 104(b)(5)(B)'' and inserting ''section 104(b)(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)'';

(III) in paragraph (3)(B), by striking ''(5)(B)'' and inserting ''(5)(B) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''; and

(IV) in paragraphs (3) and (4), by striking ''section 104(b)(5)'' each place it appears and inserting ''section 104(b)(5) (as in effect on the day before the date of enactment of the Intermodal Surface Transportation Efficiency Act of 1997)''.

(F) Section 161(a) of title 23, United States Code, is amended by striking ''paragraphs (1), (3), and (5)(B) of section 104(b)'' each place it appears and inserting ''paragraphs (1) and (3) of section 104(b)''.

(6)(A) Section 104(g) of title 23, United States Code, is amended—

(i) in the first sentence, by striking ''sections 130, 144, and 152 of this title'' and inserting ''subsection (b)(1)(B) and sections 130 and 152'';

(ii) in the first and second sentences—

(I) by striking ''section'' and inserting ''provision''; and

(II) by striking ''such sections'' and inserting ''those provisions''; and

(iii) in the third sentence—

(I) by striking ''section 144'' and inserting ''subsection (b)(1)(B)''; and

(II) by striking ''subsection (b)(1)'' and inserting ''subsection (b)(1)(C)''.

(B) Section 115 of title 23, United States Code, is amended—

(i) in subsection (a)(1)(A)(i), by striking ''104(b)(2), 104(b)(3), 104(f), 144,'' and inserting ''104(b)(1)(B), 104(b)(2), 104(b)(3), 104(f),''; and

(ii) in subsection (c), by striking ''144,,''.

(C) Section 120(e) of title 23, United States Code, is amended in the last sentence by striking ''and in section 144 of this title''.

(D) Section 151(d) of title 23, United States Code, is amended by striking ''section 104(a), section 307(a), and section 144 of this title'' and inserting ''subsections (a) and (b)(1)(B) of section 104 and section 307(a)''.

(E) Section 204(c) of title 23, United States Code, is amended in the first sentence by striking ''or section 144 of this title''.

(F) Section 303(g) of title 23, United States Code, is amended by striking ''section 144 of this title'' and inserting ''section 104(b)(1)(B)''.

SEC. 1103. OBLIGATION CEILING.

(a) GENERAL LIMITATIONS.—Subject to the other provisions of this section and notwithstanding any other provision of law, the total amount of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $21,800,000,000 for fiscal year 1998;

(2) $22,802,000,000 for fiscal year 1999;

(3) $22,939,000,000 for fiscal year 2000;

(4) $23,183,000,000 for fiscal year 2001;

(5) $23,699,000,000 for fiscal year 2002; and

(6) $24,548,000,000 for fiscal year 2003.

(b) EXCEPTIONS.—

(1) IN GENERAL.—The limitations under subsection (a) shall not apply to obligations of funds under—

(A) section 105(a) of title 23, United States Code (but, for each of fiscal years 1998 through 2003, only in an amount equal to the amount included for section 157 of title 23, United States Code, in the baseline determined by the Congressional Budget Office for the fiscal year 1998 budget), excluding amounts allocated under section 105(a)(1)(B) of that title;

(B) section 125 of that title;

(C) section 157 of that title (as in effect on the day before the date of enactment of this Act);

(D) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(E) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(F) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(G) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198); and

(H) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027).

(2) EFFECT OF OTHER LAW.—A provision of law establishing a limitation on obligations for Federal-aid highways and highway safety construction programs may not amend or limit the applicability of this subsection, unless the provision specifically amends or limits that applicability.

(c) APPLICABILITY TO TRANSPORTATION RESEARCH PROGRAMS.—Obligation limitations for Federal-aid highways and highway safety construction programs established by subsection (a) shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code.

(d) OBLIGATION AUTHORITY.—Section 118 of title 23, United States Code, is amended by adding at the end the following:

''(g) OBLIGATION AUTHORITY.—

''(1) DISTRIBUTION.—For each fiscal year, the Secretary shall—

''(A) distribute the total amount of obligation authority for Federal-aid highways and highway safety construction programs made available for the fiscal year by allocation in the ratio that—

''(i) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to each State for the fiscal year; bears to

''(ii) the total of the sums made available for Federal-aid highways and highway safety construction programs that are apportioned or allocated to all States for the fiscal year;

''(B) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State; and

''(C) notwithstanding subparagraphs (A) and (B), not distribute—

''(i) amounts deducted under section 104(a) for administrative expenses;

''(ii) amounts set aside under section 104(k) for Interstate 4R and bridge projects;

''(iii) amounts made available under sections 143, 164, 165, 204, 206, 207, and 322;

''(iv) amounts made available under section 111 of title 49;

''(v) amounts made available under section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.);

''(vi) amounts made available under section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938);

''(vii) amounts made available under sections 1503, 1603, and 1604 of the Intermodal Surface Transportation Efficiency Act of 1997;

''(viii) amounts made available under section 149(d) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 201);

''(ix) amounts made available under section 105(a)(1)(A) to the extent that the amounts are subject to any obligation limitation under section 1103(a) of the Intermodal Surface Transportation Efficiency Act of 1997;

''(x) amounts made available for implementation of programs under chapter 5 of this title and sections 5222, 5232, and 5241 of title 49; and

''(xi) amounts made available under section 412 of the Woodrow Wilson Memorial Bridge Authority Act of 1995.

''(2) REDISTRIBUTION.—Notwithstanding paragraph (1), the Secretary shall, after August 1 of each of fiscal years 1998 through 2003—

''(A) revise a distribution of the funds made available under paragraph (1) for the fiscal year if a State will not obligate the amount distributed during the fiscal year; and

''(B) redistribute sufficient amounts to those States able to obligate amounts in addition to the amounts previously distributed during the fiscal year, giving priority to those States that have large unobligated balances of funds apportioned under section 104 and under section 144 (as in effect on the day before the date of enactment of this subparagraph).''.

(e) APPLICABILITY OF OBLIGATION LIMITATIONS.—An obligation limitation established by a provision of any other Act shall not apply to obligations under a program funded under this Act or title 23, United States Code, unless—

(1) the provision specifically amends or limits the applicability of this subsection; or

(2) an obligation limitation is specified in this Act with respect to the program.

SEC. 1104. OBLIGATION AUTHORITY UNDER SURFACE TRANSPORTATION PROGRAM.

Section 133 of title 23, United States Code, is amended by striking subsection (f) and inserting the following:

''(f) OBLIGATION AUTHORITY.—

''(1) IN GENERAL.—A State that is required to obligate in an urbanized area with an urbanized area population of over 200,000 individuals under subsection (d) funds apportioned to the State under section 104(b)(3) shall make available during the 3-fiscal year period of 1998 through 2000, and the 3-fiscal year period of 2001 through 2003, an amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs for use in the area that is equal to the amount obtained by multiplying—

''(A) the aggregate amount of funds that the State is required to obligate in the area under subsection (d) during each such period; by

''(B) the ratio that—

''(i) the aggregate amount of obligation authority distributed to the State for Federal-aid highways and highway safety construction programs during the period; bears to

''(ii) the total of the sums apportioned to the State for Federal-aid highways and highway safety construction programs (excluding sums not subject to an obligation limitation) during the period.

''(2) JOINT RESPONSIBILITY.—Each State, each affected metropolitan planning organization, and the Secretary shall jointly ensure compliance with paragraph (1).''.

SEC. 1105. EMERGENCY RELIEF.

(a) FEDERAL SHARE.—Section 120(e) of title 23, United States Code, is amended in the first sentence by striking ''highway system'' and inserting ''highway''.

(b) ELIGIBILITY AND FUNDING.—Section 125 of title 23, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively;

(3) by inserting after the section heading the following:

''(a) GENERAL ELIGIBILITY.—Subject to this section and section 120, an emergency fund is authorized for expenditure by the Secretary for the repair or reconstruction of highways, roads, and trails, in any part of the United States, including Indian reservations, that the Secretary finds have suffered serious damage as a result of—

''(1) natural disaster over a wide area, such as by a flood, hurricane, tidal wave, earthquake, severe storm, or landslide; or

''(2) catastrophic failure from any external cause.

''(b) RESTRICTION ON ELIGIBILITY.—In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges that have been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to a structural deficiency or physical deterioration.

''(c) FUNDING.—Subject to the following limitations, there are hereby authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) such sums as may be necessary to establish the fund authorized by this section and to replenish it on an annual basis:

''(1) Not more than $100,000,000 is authorized to be obligated in any 1 fiscal year commencing after September 30, 1980, to carry out the provisions of this section, except that, if in any fiscal year the total of all obligations under this section is less than the amount authorized to be obligated in such fiscal year, the unobligated balance of such amount shall remain available until expended and shall be in addition to amounts otherwise available to carry out this section each year.

''(2) Pending such appropriation or replenishment, the Secretary may obligate from any funds heretofore or hereafter appropriated for obligation in accordance with this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, provided that such funds are reimbursed from the appropriations authorized in paragraph (1) of this subsection when such appropriations are made.'';

(4) in subsection (d) (as so redesignated), by striking ''subsection (c)'' both places it appears and inserting ''subsection (e)''; and

(5) in subsection (e) (as so redesignated), by striking ''on any of the Federal-aid highway systems'' and inserting ''Federal-aid highways''.

(c) SAN MATEO COUNTY, CALIFORNIA.—Notwithstanding any other provision of law, a project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, that—

(1) was destroyed as a result of a combination of storms in the winter of 1982–1983 and a mountain slide; and

(2) until its destruction, served as the only reasonable access route between 2 cities and as the designated emergency evacuation route of 1 of the cities;

shall be eligible for assistance under section 125(a) of title 23, United States Code, if the project complies with the local coastal plan.

SEC. 1106. FEDERAL LANDS HIGHWAYS PROGRAM.

(a) FEDERAL SHARE PAYABLE.—Section 120 of title 23, United States Code, is amended by adding at the end the following:

''(j) USE OF FEDERAL LAND MANAGEMENT AGENCY FUNDS.—Notwithstanding any other provision of law, the funds appropriated to any Federal land management agency may be used to pay the non-Federal share of the cost of any Federal-aid highway project the Federal share of which is funded under section 104.

''(k) USE OF FEDERAL LANDS HIGHWAYS PROGRAM FUNDS.—Notwithstanding any other provision of law, the funds made available to carry out the Federal lands highways program under section 204 may be used to pay the non-Federal share of the cost of any project that is funded under section 104 and that provides access to or within Federal or Indian lands.''.

(b) AVAILABILITY OF FUNDS.—Section 203 of title 23, United States Code, is amended by adding at the end the following: ''Notwithstanding any other provision of law, the authorization by the Secretary of engineering and related work for a Federal lands highways program project, or the approval by the Secretary of plans, specifications, and estimates for construction of a Federal lands highways program project, shall be deemed to constitute a contractual obligation of the Federal Government to the pay the Federal share of the cost of the project.''.

(c) PLANNING AND AGENCY COORDINATION.—Section 204 of title 23, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Recognizing the need for all Federal roads that are public roads to be treated under uniform policies similar to the policies that apply to Federal-aid highways, there is established a coordinated Federal lands highways program that shall apply to public lands highways, park roads and parkways, and Indian reservation roads and bridges.

''(2) TRANSPORTATION PLANNING PROCEDURES.—In consultation with the Secretary of each appropriate Federal land management agency, the Secretary shall develop, by rule, transportation planning procedures that are consistent with the metropolitan and statewide planning processes required under sections 134 and 135.

''(3) APPROVAL OF TRANSPORTATION IMPROVEMENT PROGRAM.—The transportation improvement program developed as a part of the transportation planning process under this section shall be approved by the Secretary.

''(4) INCLUSION IN OTHER PLANS.—All regionally significant Federal lands highways program projects—

''(A) shall be developed in cooperation with States and metropolitan planning organizations; and

''(B) shall be included in appropriate Federal lands highways program, State, and metropolitan plans and transportation improvement programs.

''(5) INCLUSION IN STATE PROGRAMS.—The approved Federal lands highways program transportation improvement program shall be included in appropriate State and metropolitan planning organization plans and programs without further action on the transportation improvement program.

''(6) DEVELOPMENT OF SYSTEMS.—The Secretary and the Secretary of each appropriate Federal land management agency shall, to the extent appropriate, develop safety, bridge, pavement, and congestion management systems for roads funded under the Federal lands highways program.'';

(2) in subsection (b), by striking the first 3 sentences and inserting the following: ''Funds available for public lands highways, park roads and parkways, and Indian reservation roads shall be used by the Secretary and the Secretary of the appropriate Federal land management agency to pay for the cost of transportation planning, research, engineering, and construction of the highways, roads, and parkways, or of transit facilities within public lands, national parks, and Indian reservations. In connection with activities under the preceding sentence, the Secretary and the Secretary of the appropriate Federal land management agency may enter into construction contracts and other appropriate contracts with a State or civil subdivision of a State or Indian tribe.'';

(3) in the first sentence of subsection (e), by striking ''Secretary of the Interior'' and inserting ''Secretary of the appropriate Federal land management agency'';

(4) in subsection (h), by adding at the end the following:

''(8) A project to build a replacement of the federally owned bridge over the Hoover Dam in the Lake Mead National Recreation Area between Nevada and Arizona.'';

(5) by striking subsection (i) and inserting the following:

''(i) TRANSFERS OF COSTS TO SECRETARIES OF FEDERAL LAND MANAGEMENT AGENCIES.—

''(1) ADMINISTRATIVE COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay necessary administrative costs of the agency in connection with public lands highways.

''(2) TRANSPORTATION PLANNING COSTS.—The Secretary shall transfer to the appropriate Federal land management agency from amounts made available for public lands highways such amounts as are necessary to pay the cost to the agency to conduct necessary transportation planning for Federal lands, if funding for the planning is not otherwise provided under this section.''; and

(6) in subsection (j), by striking the second sentence and inserting the following: ''The Indian tribal government, in cooperation with the Secretary of the Interior, and as appropriate, with a State, local government, or metropolitan planning organization, shall carry out a transportation planning process in accordance with subsection (a).''.

SEC. 1107. RECREATIONAL TRAILS PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code, is amended by inserting after section 205 the following:

''§ 206. Recreational trails program

''(a) DEFINITIONS.—

''(1) MOTORIZED RECREATION.—The term 'motorized recreation' means off-road recreation using any motor-powered vehicle, except for a motorized wheelchair.

''(2) RECREATIONAL TRAIL; TRAIL.—The term 'recreational trail' or 'trail' means a thoroughfare or track across land or snow, used for recreational purposes such as—

''(A) pedestrian activities, including wheelchair use;

''(B) skating or skateboarding;

''(C) equestrian activities, including carriage driving;

''(D) nonmotorized snow trail activities, including skiing;

''(E) bicycling or use of other human-powered vehicles;

''(F) aquatic or water activities; and

''(G) motorized vehicular activities, including all-terrain vehicle riding, motorcycling, snowmobiling, use of off-road light trucks, or use of other off-road motorized vehicles.

''(b) PROGRAM.—In accordance with this section, the Secretary, in consultation with the Secretary of the Interior and the Secretary of Agriculture, shall carry out a program to provide and maintain recreational trails (referred to in this section as the 'program').

''(c) STATE RESPONSIBILITIES.—To be eligible for apportionments under this section—

''(1) a State may use apportionments received under this section for construction of new trails crossing Federal lands only if the construction is—

''(A) permissible under other law;

''(B) necessary and required by a statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) approved by the administering agency of the State designated under paragraph (2); and

''(D) approved by each Federal agency charged with management of the affected lands, which approval shall be contingent on compliance by the Federal agency with all applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.);

''(2) the Governor of a State shall designate the State agency or agencies that will be responsible for administering apportionments received under this section; and

''(3) the State shall establish within the State a State trail advisory committee that represents both motorized and nonmotorized trail users.

''(d) USE OF APPORTIONED FUNDS.—

''(1) IN GENERAL.—Funds made available under this section shall be obligated for trails and trail-related projects that—

''(A) have been planned and developed under the laws, policies, and administrative procedures of each State; and

''(B) are identified in, or further a specific goal of, a trail plan or trail plan element included or referenced in a metropolitan transportation plan required under section 134 or a statewide transportation plan required under section 135, consistent with the statewide comprehensive outdoor recreation plan required by the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.).

''(2) PERMISSIBLE USES.—Permissible uses of funds made available under this section include—

''(A) maintenance and restoration of existing trails;

''(B) development and rehabilitation of trailside and trailhead facilities and trail linkages;

''(C) purchase and lease of trail construction and maintenance equipment;

''(D) construction of new trails;

''(E) acquisition of easements and fee simple title to property for trails or trail corridors;

''(F) payment of costs to the State incurred in administering the program, but in an amount not to exceed 7 percent of the apportionment received by the State for a fiscal year; and

''(G) operation of educational programs to promote safety and environmental protection as these objectives relate to the use of trails.

''(3) USE OF APPORTIONMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), and (D), of the apportionments received for a fiscal year by a State under this section—

''(i) 40 percent shall be used for trail or trail-related projects that facilitate diverse recreational trail use within a trail corridor, trailside, or trailhead, regardless of whether the project is for diverse motorized use, for diverse nonmotorized use, or to accommodate both motorized and nonmotorized recreational trail use;

''(ii) 30 percent shall be used for uses relating to motorized recreation; and

''(iii) 30 percent shall be used for uses relating to nonmotorized recreation.

''(B) SMALL STATE EXCLUSION.—Any State with a total land area of less than 3,500,000 acres, and in which nonhighway recreational fuel use accounts for less than 1 percent of all such fuel use in the United States, shall be exempted from the requirements of subparagraph (A) upon application to the Secretary by the State demonstrating that the State meets the conditions of this subparagraph.

''(C) WAIVER AUTHORITY.—Upon the request of a State trail advisory committee established under subsection (c)(3), the Secretary may waive, in whole or in part, the requirements of subparagraph (A) with respect to the State if the State certifies to the Secretary that the State does not have sufficient projects to meet the requirements of subparagraph (A).

''(D) STATE ADMINISTRATIVE COSTS.—State administrative costs eligible for funding under paragraph (2)(F) shall be exempt from the requirements of subparagraph (A).

''(e) ENVIRONMENTAL BENEFIT OR MITIGATION.—To the extent practicable and consistent with the other requirements of this section, a State should give consideration to project proposals that provide for the redesign, reconstruction, nonroutine maintenance, or relocation of trails to benefit the natural environment or to mitigate and minimize the impact to the natural environment.

''(f) FEDERAL SHARE.—

''(1) IN GENERAL.—Subject to the other provisions of this subsection, the Federal share of the cost of a project under this section shall not exceed 80 percent.

''(2) FEDERAL AGENCY PROJECT SPONSOR.—Notwithstanding any other provision of law, a Federal agency that sponsors a project under this section may contribute additional Federal funds toward the cost of a project, except that—

''(A) the share attributable to the Secretary of Transportation may not exceed 80 percent; and

''(B) the share attributable to the Secretary and the Federal agency jointly may not exceed 95 percent.

''(3) USE OF FUNDS FROM FEDERAL PROGRAMS TO PROVIDE NON-FEDERAL SHARE.—Notwithstanding any other provision of law, amounts made available by the Federal Government under any Federal program that are—

''(A) expended in accordance with the requirements of the Federal program relating to activities funded and populations served; and

''(B) expended on a project that is eligible for assistance under this section;

may be credited toward the non-Federal share of the cost of the project.

''(4) PROGRAMMATIC NON-FEDERAL SHARE.—A State may allow adjustments to the non-Federal share of an individual project under this section if the Federal share of the cost of all projects carried out by the State under the program (excluding projects funded under paragraph (2) or (3)) using funds apportioned to the State for a fiscal year does not exceed 80 percent.

''(5) STATE ADMINISTRATIVE COSTS.—The Federal share of the administrative costs of a State under this subsection shall be determined in accordance with section 120(b).

''(g) USES NOT PERMITTED.—A State may not obligate funds apportioned under this section for—

''(1) condemnation of any kind of interest in property;

''(2) construction of any recreational trail on National Forest System land for any motorized use unless—

''(A) the land has been apportioned for uses other than wilderness by an approved forest land and resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved forest land and resource management plan;

''(3) construction of any recreational trail on Bureau of Land Management land for any motorized use unless the land—

''(A) has been apportioned for uses other than wilderness by an approved Bureau of Land Management resource management plan or has been released to uses other than wilderness by an Act of Congress; and

''(B) the construction is otherwise consistent with the management direction in the approved management plan; or

''(4) upgrading, expanding, or otherwise facilitating motorized use or access to trails predominantly used by nonmotorized trail users and on which, as of May 1, 1991, motorized use is prohibited or has not occurred.

''(h) PROJECT ADMINISTRATION.—

''(1) CREDIT FOR DONATIONS OF FUNDS, MATERIALS, SERVICES, OR NEW RIGHT-OF-WAY.—

''(A) IN GENERAL.—Nothing in this title or other law shall prevent a project sponsor from offering to donate funds, materials, services, or a new right-of-way for the purposes of a project eligible for assistance under this section. Any funds, or the fair market value of any materials, services, or new right-of-way, may be donated by any project sponsor and shall be credited to the non-Federal share in accordance with subsection (f).

''(B) FEDERAL PROJECT SPONSORS.—Any funds or the fair market value of any materials or services may be provided by a Federal project sponsor and shall be credited to the Federal agency's share in accordance with subsection (f).

''(2) RECREATIONAL PURPOSE.—A project funded under this section is intended to enhance recreational opportunity and is not subject to section 138 of this title or section 303 of title 49.

''(3) CONTINUING RECREATIONAL USE.—At the option of each State, funds made available under this section may be treated as Land and Water Conservation Fund apportionments for the purposes of section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8(f)(3)).

''(4) COOPERATION BY PRIVATE PERSONS.—

''(A) WRITTEN ASSURANCES.—As a condition of making available apportionments for work on recreational trails that would affect privately owned land, a State shall obtain written assurances that the owner of the land will cooperate with the State and participate as necessary in the activities to be conducted.

''(B) PUBLIC ACCESS.—Any use of the apportionments to a State under this section on privately owned land must be accompanied by an easement or other legally binding agreement that ensures public access to the recreational trail improvements funded by the apportionments.

''(i) APPORTIONMENT.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State that meets the requirements of subsection (c).

''(2) APPORTIONMENT.—Subject to subsection (j), for each fiscal year, the Secretary shall apportion—

''(A) 50 percent of the amounts made available to carry out this section equally among eligible States; and

''(B) 50 percent of the amounts made available to carry out this section among eligible States in proportion to the quantity of nonhighway recreational fuel used in each eligible State during the preceding year.

''(j) ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—Whenever an apportionment is made under subsection (i) of the amounts made available to carry out this section, the Secretary shall first deduct an amount, not to exceed 1 percent of the authorized amounts, to pay the costs to the Secretary for administration of, and research authorized under, the program.

''(2) USE OF CONTRACTS.—To carry out research funded under paragraph (1), the Secretary may—

''(A) enter into contracts with for-profit organizations; and

''(B) enter into contracts, partnerships, or cooperative agreements with other government agencies, institutions of higher learning, or nonprofit organizations.

''(k) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $17,000,000 for fiscal year 1998, $20,000,000 for fiscal year 1999, $22,000,000 for fiscal year 2000, $23,000,000 for fiscal year 2001, $24,000,000 for fiscal year 2002, and $25,000,000 for fiscal year 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that the Federal share of the cost of a project under this section shall be determined in accordance with this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The Intermodal Surface Transportation Efficiency Act of 1991 is amended by striking part B of title I (16 U.S.C. 1261 et seq.).

(2) The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 206 and inserting the following:

''206. Recreational trails program.''.

SEC. 1108. VALUE PRICING PILOT PROGRAM.

(a) IN GENERAL.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in the subsection heading, by striking ''CONGESTION'' and inserting ''VALUE''; and

(2) in paragraph (1), by striking ''congestion'' each place it appears and inserting ''value''.

(b) INCREASED NUMBER OF PROJECTS.—Section 1012(b)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence by striking ''5'' and inserting ''15''.

(c) ELIGIBILITY OF PREIMPLEMENTATION COSTS.— Section 1012(b)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended in the second sentence—

(1) by inserting after ''Secretary shall fund'' the following: ''all preimplementation costs and project design, and''; and

(2) by inserting after ''Secretary may not fund'' the following: ''the implementation costs of''.

(d) TOLLING.—Section 1012(b)(4) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking ''a pilot program under this section, but not on more than 3 of such programs'' and inserting ''any value pricing pilot program under this subsection''.

(e) HOV PASSENGER REQUIREMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by striking paragraph (6) and inserting the following:

''(6) HOV PASSENGER REQUIREMENTS.—Notwithstanding section 146(c) of title 23, United States Code, a State may permit vehicles with fewer than 2 occupants to operate in high occupancy vehicle lanes if the vehicles are part of a value pricing pilot program under this subsection.''.

(f) FUNDING.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended by adding at the end the following:

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $8,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY.—

''(i) IN GENERAL.—Funds allocated by the Secretary to a State under this subsection shall remain available for obligation by the State for a period of 3 years after the last day of the fiscal year for which the funds are authorized.

''(ii) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this subsection but not allocated exceeds $8,000,000 as of September 30 of any year, the excess amount—

''(I) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

''(II) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

''(III) shall be available for any purpose eligible for funding under section 133 of that title.

''(C) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection and the availability of funds authorized by this paragraph shall be determined in accordance with this subsection.''.

(g) CONFORMING AMENDMENTS.—Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 149 note; 105 Stat. 1938) is amended—

(1) in paragraph (1), by striking ''projects'' each place it appears and inserting ''programs''; and

(2) in paragraph (5)—

(A) by striking ''projects'' and inserting ''programs''; and

(B) by striking ''traffic, volume'' and inserting ''traffic volume''.

SEC. 1109. HIGHWAY USE TAX EVASION PROJECTS.

(a) IN GENERAL.—Section 143 of title 23, United States Code, is amended to read as follows:

''§ 143. Highway use tax evasion projects

''(a) DEFINITION OF STATE.—In this section, the term 'State' means the 50 States and the District of Columbia.

''(b) PROJECTS.—

''(1) IN GENERAL.—The Secretary shall use funds made available under paragraph (7) to carry out highway use tax evasion projects in accordance with this subsection.

''(2) ALLOCATION OF FUNDS.—The funds may be allocated to the Internal Revenue Service and the States at the discretion of the Secretary.

''(3) CONDITIONS ON FUNDS ALLOCATED TO INTERNAL REVENUE SERVICE.—The Secretary shall not impose any condition on the use of funds allocated to the Internal Revenue Service under this subsection.

''(4) LIMITATION ON USE OF FUNDS.—Funds made available under paragraph (7) shall be used only—

''(A) to expand efforts to enhance motor fuel tax enforcement;

''(B) to fund additional Internal Revenue Service staff, but only to carry out functions described in this paragraph;

''(C) to supplement motor fuel tax examinations and criminal investigations;

''(D) to develop automated data processing tools to monitor motor fuel production and sales;

''(E) to evaluate and implement registration and reporting requirements for motor fuel taxpayers;

''(F) to reimburse State expenses that supplement existing fuel tax compliance efforts; and

''(G) to analyze and implement programs to reduce tax evasion associated with other highway use taxes.

''(5) MAINTENANCE OF EFFORT.—The Secretary may not make an allocation to a State under this subsection for a fiscal year unless the State certifies that the aggregate expenditure of funds of the State, exclusive of Federal funds, for motor fuel tax enforcement activities will be maintained at a level that does not fall below the average level of such expenditure for the preceding 2 fiscal years of the State.

''(6) FEDERAL SHARE.—The Federal share of the cost of a project carried out under this subsection shall be 100 percent.

''(7) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(A) IN GENERAL.—There shall be available to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $5,000,000 for each of fiscal years 1998 through 2003.

''(B) AVAILABILITY OF FUNDS.—Funds authorized under this paragraph shall remain available for obligation for a period of 1 year after the last day of the fiscal year for which the funds are authorized.

''(c) EXCISE FUEL REPORTING SYSTEM.—

''(1) IN GENERAL.—Not later than April 1, 1998, the Secretary shall enter into a memorandum of understanding with the Commissioner of the Internal Revenue Service for the purposes of the development and maintenance by the Internal Revenue Service of an excise fuel reporting system (referred to in this subsection as the 'system').

''(2) ELEMENTS OF MEMORANDUM OF UNDERSTANDING.—The memorandum of understanding shall provide that—

''(A) the Internal Revenue Service shall develop and maintain the system through contracts;

''(B) the system shall be under the control of the Internal Revenue Service; and

''(C) the system shall be made available for use by appropriate State and Federal revenue, tax, or law enforcement authorities, subject to section 6103 of the Internal Revenue Code of 1986.

''(3) AUTHORIZATION OF APPROPRIATIONS FROM HIGHWAY TRUST FUND.—There are authorized to be appropriated to the Secretary from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection—

''(A) $8,000,000 for development of the system; and

''(B) $2,000,000 for each of fiscal years 1998 through 2003 for operation and maintenance of the system.''.

(b) CONFORMING AMENDMENTS.—

(1) The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 143 and inserting the following:

''143. Highway use tax evasion projects.''.

(2) Section 1040 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1992) is repealed.

(3) Section 8002 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 2203) is amended—

(A) in the first sentence of subsection (g), by striking ''section 1040 of this Act'' and inserting ''section 143 of title 23, United States Code,''; and

(B) by striking subsection (h).

SEC. 1110. BICYCLE TRANSPORTATION AND PEDESTRIAN WALKWAYS.

Section 217 of title 23, United States Code, is amended—

(1) in subsection (b)—

(A) by inserting ''pedestrian walkways and'' after ''construction of''; and

(B) by striking ''(other than the Interstate System)'';

(2) in subsection (e), by striking '', other than a highway access to which is fully controlled,'';

(3) by striking subsection (g) and inserting the following:

''(g) PLANNING AND DESIGN.—

''(1) IN GENERAL.—Bicyclists and pedestrians shall be given consideration in the comprehensive transportation plans developed by each metropolitan planning organization and State in accordance with sections 134 and 135, respectively.

''(2) CONSTRUCTION.—Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation facilities, except where bicycle and pedestrian use are not permitted.

''(3) SAFETY AND CONTIGUOUS ROUTES.—Transportation plans and projects shall provide consideration for safety and contiguous routes for bicyclists and pedestrians.'';

(4) in subsection (h)—

(A) by striking ''No motorized vehicles shall'' and inserting ''Motorized vehicles may not''; and

(B) by striking paragraph (3) and inserting the following:

''(3) wheelchairs that are powered; and''; and

(5) by striking subsection (j) and inserting the following:

''(j) DEFINITIONS.—In this section:

''(1) BICYCLE TRANSPORTATION FACILITY.—The term 'bicycle transportation facility' means a new or improved lane, path, or shoulder for use by bicyclists or a traffic control device, shelter, or parking facility for bicycles.

''(2) PEDESTRIAN.—The term 'pedestrian' means any person traveling by foot or any mobility impaired person using a wheelchair.

''(3) WHEELCHAIR.—The term 'wheelchair' means a mobility aid, usable indoors, and designed for and used by individuals with mobility impairments, whether operated manually or powered.''.

SEC. 1111. DISADVANTAGED BUSINESS ENTERPRISES.

(a) GENERAL RULE.—Except to the extent that the Secretary determines otherwise, not less than 10 percent of the amounts made available for any program under titles I and II of this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

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

(1) SMALL BUSINESS CONCERN.—The term ''small business concern'' has the meaning such term has under section 3 of the Small Business Act (15 U.S.C. 632); except that such term shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has average annual gross receipts over the preceding 3 fiscal years in excess of $16,600,000, as adjusted by the Secretary for inflation.

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term ''socially and economically disadvantaged individuals'' has the meaning such term has under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto; except that women shall be presumed to be socially and economically disadvantaged individuals for purposes of this section.

(c) ANNUAL LISTING OF DISADVANTAGED BUSINESS ENTERPRISES.—Each State shall annually survey and compile a list of the small business concerns referred to in subsection (a) and the location of such concerns in the State and notify the Secretary, in writing, of the percentage of such concerns which are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are women and are otherwise socially and economically disadvantaged individuals.

(d) UNIFORM CERTIFICATION.—The Secretary shall establish minimum uniform criteria for State governments to use in certifying whether a concern qualifies for purposes of this section. Such minimum uniform criteria shall include but not be limited to on-site visits, personal interviews, licenses, analysis of stock ownership, listing of equipment, analysis of bonding capacity, listing of work completed, resume of principal owners, financial capacity, and type of work preferred.

SEC. 1112. FEDERAL SHARE PAYABLE.

Section 120 of title 23, United States Code (as amended by section 1106(a)), is amended—

(1) in each of subsections (a) and (b), by adding at the end the following: ''In the case of any project subject to this subsection, a State may determine a lower Federal share than the Federal share determined under the preceding sentences of this subsection.''; and

(2) by adding at the end the following:

''(l) CREDIT FOR NON-FEDERAL SHARE.—

''(1) ELIGIBILITY.—A State may use as a credit toward the non-Federal share requirement for any program under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) or this title, other than the emergency relief program authorized by section 125, toll revenues that are generated and used by public, quasi-public, and private agencies to build, improve, or maintain, without the use of Federal funds, highways, bridges, or tunnels that serve the public purpose of interstate commerce.

''(2) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—The credit toward any non-Federal share under paragraph (1) shall not reduce nor replace State funds required to match Federal funds for any program under this title.

''(B) CONDITIONS ON RECEIPT OF CREDIT.—

''(i) AGREEMENT WITH THE SECRETARY.—To receive a credit under paragraph (1) for a fiscal year, a State shall enter into such agreements as the Secretary may require to ensure that the State will maintain its non-Federal transportation capital expenditures at or above the average level of such expenditures for the preceding 3 fiscal years.

''(ii) EXCEPTION.—Notwithstanding clause (i), a State may receive a credit under paragraph (1) for a fiscal year if, for any 1 of the preceding 3 fiscal years, the non-Federal transportation capital expenditures of the State were at a level that was greater than 30 percent of the average level of such expenditures for the other 2 of the preceding 3 fiscal years.

''(3) TREATMENT.—

''(A) IN GENERAL.—Use of the credit toward a non-Federal share under paragraph (1) shall not expose the agencies from which the credit is received to additional liability, additional regulation, or additional administrative oversight.

''(B) CHARTERED MULTISTATE AGENCIES.—When credit is applied from a chartered multistate agency under paragraph (1), the credit shall be applied equally to all charter States.

''(C) NO ADDITIONAL STANDARDS.—A public, quasi-public, or private agency from which the credit for which the non-Federal share is calculated under paragraph (1) shall not be subject to any additional Federal design standards or laws (including regulations) as a result of providing the credit beyond the standards and laws to which the agency is already subject.''.

SEC. 1113. STUDIES AND REPORTS.

(a) HIGHWAY ECONOMIC REQUIREMENT SYSTEM.—

(1) METHODOLOGY.—

(A) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the methodology used by the Department of Transportation to determine highway needs using the highway economic requirement system (referred to in this subsection as the ''model'').

(B) REQUIRED ELEMENT.—The evaluation shall include an assessment of the extent to which the model estimates an optimal level of highway infrastructure investment, including an assessment as to when the model may be overestimating or underestimating investment requirements.

(C) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the evaluation.

(2) STATE INVESTMENT PLANS.—

(A) STUDY.—In consultation with State transportation departments and other appropriate State and local officials, the Comptroller General of the United States shall conduct a study on the extent to which the highway economic requirement system of the Federal Highway Administration can be used to provide States with useful information for developing State transportation investment plans and State infrastructure investment projections.

(B) REQUIRED ELEMENTS.—The study shall—

(i) identify any additional data that may need to be collected beyond the data submitted, prior to the date of enactment of this Act, to the Federal Highway Administration through the highway performance monitoring system; and

(ii) identify what additional work, if any, would be required of the Federal Highway Administration and the States to make the model useful at the State level.

(C) REPORT TO CONGRESS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(b) INTERNATIONAL ROUGHNESS INDEX.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the international roughness index that is used as an indicator of pavement quality on the Federal-aid highway system.

(2) REQUIRED ELEMENTS.—The study shall specify the extent of usage of the index and the extent to which the international roughness index measurement is reliable across different manufacturers and types of pavement.

(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the results of the study.

(c) REPORTING OF RATES OF OBLIGATION.—Section 104 of title 23, United States Code, is amended—

(1) by redesignating subsection (j) as subsection (m); and

(2) by inserting after subsection (i) the following:

''(j) REPORTING OF RATES OF OBLIGATION.—On an annual basis, the Secretary shall publish or otherwise report rates of obligation of funds apportioned or set aside under this section and sections 103 and 133 according to—

''(1) program;

''(2) funding category or subcategory;

''(3) type of improvement;

''(4) State; and

''(5) sub-State geographic area, including urbanized and rural areas, on the basis of the population of each such area.''.

SEC. 1114. DEFINITIONS.

(a) FEDERAL-AID HIGHWAY FUNDS AND PROGRAM.—

(1) IN GENERAL.—Section 101(a) of title 23, United States Code, is amended by inserting before the undesignated paragraph defining ''Federal-aid highways'' the following:

''The term 'Federal-aid highway funds' means funds made available to carry out the Federal-aid highway program.

''The term 'Federal-aid highway program' means all programs authorized under chapters 1, 3, and 5.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(d) of title 23, United States Code, is amended by striking ''the construction of Federal-aid highways or highway planning, research, or development'' and inserting ''the Federal-aid highway program''.

(B) Section 104(m)(1) of title 23, United States Code (as redesignated by section 1113(c)(1)), is amended by striking ''Federal-

aid highways and the highway safety construction programs'' and inserting ''the Federal-aid highway program''.

(C) Section 107(b) of title 23, United States Code, is amended in the second sentence by striking ''Federal-aid highways'' and inserting ''the Federal-aid highway program''.

(b) ALPHABETIZATION OF DEFINITIONS.—Section 101(a) of title 23, United States Code, is amended by reordering the undesignated paragraphs so that they are in alphabetical order.

SEC. 1115. COOPERATIVE FEDERAL LANDS TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Chapter 2 of title 23, United States Code (as amended by section 1107(a)), is amended by inserting after section 206 the following:

''§ 207. Cooperative Federal Lands Transportation Program

''(a) IN GENERAL.—There is established the Cooperative Federal Lands Transportation Program (referred to in this section as the 'program'). Funds available for the program may be used for projects, or portions of projects, on highways that are owned or maintained by States or political subdivisions of States and that cross, are adjacent to, or lead to federally owned land or Indian reservations (including Army Corps of Engineers reservoirs), as determined by the State. Such projects shall be proposed by a State and selected by the Secretary. A project proposed by a State under this section shall be on a highway or bridge owned or maintained by the State, or 1 or more political subdivisions of the State, and may be a highway or bridge construction or maintenance project eligible under this title or any project of a type described in section 204(h).

''(b) DISTRIBUTION OF FUNDS FOR PROJECTS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—The Secretary—

''(i) after consultation with the Administrator of General Services, the Secretary of the Interior, and other agencies as appropriate (including the Army Corps of Engineers), shall determine the percentage of the total land in each State that is owned by the Federal Government or that is held by the Federal Government in trust;

''(ii) shall determine the sum of the percentages determined under clause (i) for States with respect to which the percentage is 4.5 or greater; and

''(iii) shall determine for each State included in the determination under clause (ii) the percentage obtained by dividing—

''(I) the percentage for the State determined under clause (i); by

''(II) the sum determined under clause (ii).

''(B) ADJUSTMENT.—The Secretary shall—

''(i) reduce any percentage determined under subparagraph (A)(iii) that is greater than 7.5 percent to 7.5 percent; and

''(ii) redistribute the percentage points equal to any reduction under clause (i) among other States included in the determination under subparagraph (A)(ii) in proportion to the percentages for those States determined under subparagraph (A)(iii).

''(2) AVAILABILITY TO STATES.—Except as provided in paragraph (3), for each fiscal year, the Secretary shall make funds available to carry out eligible projects in a State in an amount equal to the amount obtained by multiplying—

''(A) the percentage for the State, if any, determined under paragraph (1); by

''(B) the funds made available for the program for the fiscal year.

''(3) SELECTION OF PROJECTS.—The Secretary may establish deadlines for States to submit proposed projects for funding under this section, except that in the case of fiscal year 1998 the deadline may not be earlier than January 1, 1998. For each fiscal year, if a State does not have pending, by that deadline, applications for projects with an estimated cost equal to at least 3 times the amount for the State determined under paragraph (2), the Secretary may distribute, to 1 or more other States, at the Secretary's discretion, ⅓ of the amount by which the estimated cost of the State's applications is less than 3 times the amount for the State determined under paragraph (2).

''(c) TRANSFERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a State and the Secretary may agree to transfer amounts made available to a State under this section to the allocations of the State under section 202 for use in carrying out projects on any Federal lands highway that is located in the State.

''(2) SPECIAL RULE.—This paragraph applies to a State that contains a national park that was visited by more than 2,500,000 people in 1996 and comprises more than 3,000 square miles of land area, including surface water, that is located in the State. For such a State, 50 percent of the amount that would otherwise be made available to the State for each fiscal year under the program shall be made available only for eligible highway uses in the national park and within the borders of the State. For the purpose of making allocations under section 202(c), the Secretary may not take into account the past or future availability, for use on park roads and parkways in a national park, of funds made available for use in a national park by this paragraph.

''(d) RIGHTS-OF-WAY ACROSS FEDERAL LAND.—Nothing in this section affects any claim for a right-of-way across Federal land.

''(e) AUTHORIZATION OF CONTRACT AUTHORITY.—

''(1) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section $74,000,000 for each of fiscal years 1998 through 2003.

''(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 2 of title 23, United States Code, is amended by striking the item relating to section 207 and inserting the following:

''207. Cooperative Federal Lands Transportation Program.''.

SEC. 1116. TRADE CORRIDOR AND BORDER CROSSING PLANNING AND BORDER INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) BORDER REGION.—The term ''border region'' means—

(A) the region located within 60 miles of the United States border with Mexico; and

(B) the region located within 60 miles of the United States border with Canada.

(2) BORDER STATE.—The term ''border State'' means a State of the United States that—

(A) is located along the border with Mexico; or

(B) is located along the border with Canada.

(3) BORDER STATION.—The term ''border station'' means a controlled port of entry into the United States located in the United States at the border with Mexico or Canada, consisting of land occupied by the station and the buildings, roadways, and parking lots on the land.

(4) FEDERAL INSPECTION AGENCY.—The term ''Federal inspection agency'' means a Federal agency responsible for the enforcement of immigration laws (including regulations), customs laws (including regulations), and agriculture import restrictions, including the United States Customs Service, the Immigration and Naturalization Service, the Animal and Plant Health Inspection Service, the Food and Drug Administration, the United States Fish and Wildlife Service, and the Department of State.

(5) GATEWAY.—The term ''gateway'' means a grouping of border stations defined by proximity and similarity of trade.

(6) NON-FEDERAL GOVERNMENTAL JURISDICTION.—The term ''non-Federal governmental jurisdiction'' means a regional, State, or local authority involved in the planning, development, provision, or funding of transportation infrastructure needs.

(b) BORDER CROSSING PLANNING INCENTIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall make incentive grants to States and to metropolitan planning organizations designated under section 134 of title 23, United States Code.

(2) USE OF GRANTS.—The grants shall be used to encourage joint transportation planning activities and to improve people and vehicle movement into and through international gateways as a supplement to statewide and metropolitan transportation planning funding made available under other provisions of this Act and under title 23, United States Code.

(3) CONDITION OF GRANTS.—As a condition of receiving a grant under paragraph (1), a State transportation department or a metropolitan planning organization shall certify to the Secretary that it commits to be engaged in joint planning with its counterpart agency in Mexico or Canada.

(4) LIMITATION ON AMOUNT.—Each State transportation department or metropolitan planning organization may receive not more than $100,000 under this subsection for any fiscal year.

(5) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $1,400,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(c) TRADE CORRIDOR PLANNING INCENTIVE GRANTS.—

(1) GRANTS.—

(A) IN GENERAL.—The Secretary shall make grants to States to encourage, within the framework of the statewide transportation planning process of the State under section 135 of title 23, United States Code, cooperative multistate corridor analysis of, and planning for, the safe and efficient movement of goods along and within international or interstate trade corridors of national importance.

(B) IDENTIFICATION OF CORRIDORS.—Each corridor referred to in subparagraph (A) shall be cooperatively identified by the States along the corridor.

(2) CORRIDOR PLANS.—

(A) IN GENERAL.—As a condition of receiving a grant under paragraph (1), a State shall enter into an agreement with the Secretary that specifies that, in cooperation with the other States along the corridor, the State will submit a plan for corridor improvements to the Secretary not later than 2 years after receipt of the grant.

(B) COORDINATION OF PLANNING.—Planning with respect to a corridor under this subsection shall be coordinated with transportation planning being carried out by the

States and metropolitan planning organizations along the corridor and, to the extent appropriate, with transportation planning being carried out by Federal land management agencies, by tribal governments, or by government agencies in Mexico or Canada.

(3) MULTISTATE AGREEMENTS FOR TRADE CORRIDOR PLANNING.—The consent of Congress is granted to any 2 or more States—

(A) to enter into multistate agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of interstate trade corridor planning activities; and

(B) to establish such agencies, joint or otherwise, as the States may determine desirable to make the agreements effective.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) to carry out this subsection $3,000,000 for each of fiscal years 1998 through 2003.

(B) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of a project under this subsection shall be determined in accordance with subsection (f).

(d) FEDERAL ASSISTANCE FOR TRADE CORRIDORS AND BORDER INFRASTRUCTURE SAFETY AND CONGESTION RELIEF.—

(1) APPLICATIONS FOR GRANTS.—The Secretary shall make grants to States or metropolitan planning organizations that submit an application that—

(A) demonstrates need for assistance in carrying out transportation projects that are necessary to relieve traffic congestion or improve enforcement of motor carrier safety laws; and

(B) includes strategies to involve both the public and private sectors in the proposed project.

(2) SELECTION OF STATES, METROPOLITAN PLANNING ORGANIZATIONS, AND PROJECTS TO RECEIVE GRANTS.—In selecting States, metropolitan planning organizations, and projects to receive grants under this subsection, the Secretary shall consider—

(A) the annual volume of commercial vehicle traffic at the border stations or ports of entry of each State as compared to the annual volume of commercial vehicle traffic at the border stations or ports of entry of all States;

(B) the extent to which commercial vehicle traffic in each State has grown since the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182) as compared to the extent to which that traffic has grown in each other State;

(C) the extent of border transportation improvements carried out by each State since the date of enactment of that Act;

(D) the reduction in commercial and other travel time through a major international gateway expected as a result of the project;

(E) the extent of leveraging of Federal funds provided under this subsection, including—

(i) use of innovative financing;

(ii) combination with funding provided under other sections of this Act and title 23, United States Code; and

(iii) combination with other sources of Federal, State, local, or private funding;

(F) improvements in vehicle and highway safety and cargo security in and through the gateway concerned;

(G) the degree of demonstrated coordination with Federal inspection agencies;

(H) the extent to which the innovative and problem solving techniques of the proposed project would be applicable to other border stations or ports of entry;

(I) demonstrated local commitment to implement and sustain continuing comprehensive border planning processes and improvement programs; and

(J) other factors to promote transport efficiency and safety, as determined by the Secretary.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A grant under this subsection shall be used to develop project plans, and implement coordinated and comprehensive programs of projects, to improve efficiency and safety.

(B) TYPE OF PLANS AND PROGRAMS.—The plans and programs may include—

(i) improvements to transport and supporting infrastructure;

(ii) improvements in operational strategies, including electronic data interchange and use of telecommunications to expedite vehicle and cargo movement;

(iii) modifications to regulatory procedures to expedite vehicle and cargo flow;

(iv) new infrastructure construction;

(v) purchase, installation, and maintenance of weigh-in-motion devices and associated electronic equipment in Mexico or Canada if real time data from the devices is provided to the nearest border station and to State commercial vehicle enforcement facilities that serve the border station; and

(vi) other institutional improvements, such as coordination of binational planning, programming, and border operation, with special emphasis on coordination with—

(I) Federal inspection agencies; and

(II) their counterpart agencies in Mexico and Canada.

(4) CONSTRUCTION OF TRANSPORTATION INFRASTRUCTURE FOR LAW ENFORCEMENT PURPOSES.—At the request of the Administrator of General Services, in consultation with the Attorney General, the Secretary may transfer, during the period of fiscal years 1998 through 2001, not more than $10,000,000 of the amounts made available under paragraph (5) to the Administrator of General Services for the construction of transportation infrastructure necessary for law enforcement in border States.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $125,000,000 for each of fiscal years 1998 through 2003.

(e) COORDINATION OF PLANNING.—

(1) PLANNING AND DEVELOPMENT OF BORDER STATIONS.—The General Services Administration shall be the coordinating Federal agency in the planning and development of new or expanded border stations.

(2) COOPERATIVE ACTIVITIES.—In carrying out paragraph (1), the Administrator of General Services shall cooperate with Federal inspection agencies and non-Federal governmental jurisdictions to ensure that—

(A) improvements to border station facilities take into account regional and local conditions, including the alignment of highway systems and connecting roadways; and

(B) all facility requirements, associated costs, and economic impacts are identified.

(f) COST SHARING.—A grant under this section shall be used to pay the Federal share of the cost of a project. The Federal share shall not exceed 80 percent.

(g) USE OF UNALLOCATED FUNDS.—If the total amount of funds made available from the Highway Trust Fund under this section but not allocated exceeds $4,000,000 as of September 30 of any year, the excess amount—

(1) shall be apportioned in the following fiscal year by the Secretary to all States in accordance with section 104(b)(3) of title 23, United States Code;

(2) shall be considered to be a sum made available for expenditure on the surface transportation program, except that the amount shall not be subject to section 133(d) of that title; and

(3) shall be available for any purpose eligible for funding under section 133 of that title.

SEC. 1117. APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

(a) AVAILABILITY, RELEASE, AND REALLOCATION OF FUNDS.—Section 201(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the second sentence, by inserting before the period at the end the following: ‘‘, except that each allocation to a State shall remain available for expenditure in the State for the fiscal year in which the allocation is allocated and for the 3 following fiscal years’’; and

(2) by inserting after the second sentence the following: ‘‘Funds authorized under this section for fiscal year 1998 or a fiscal year thereafter, and not expended by a State during the 4 fiscal years referred to in the preceding sentence, shall be released to the Commission for reallocation and shall remain available until expended.’’.

(b) SUBSTITUTE CORRIDOR.—Section 201(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking ‘‘(b) The Commission’’ and inserting the following:

‘‘(b) DESIGNATIONS.—

‘‘(1) IN GENERAL.—The Commission’’; and

(3) by adding at the end the following:

‘‘(2) SUBSTITUTE CORRIDOR.—In lieu of Corridor H in Virginia, the Appalachian development highway system shall include the Virginia portion of the segment identified in section 1105(c)(29) of the Intermodal Surface Transportation Efficiency Act of 1991 (109 Stat. 597).’’.

(c) FEDERAL SHARE FOR PREFINANCED PROJECTS.—Section 201(h)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ‘‘70 per centum’’ and inserting ‘‘80 percent’’.

(d) AUTHORIZATION OF CONTRACT AUTHORITY.—Section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking subsection (g) and inserting the following:

‘‘(g) AUTHORIZATION OF CONTRACT AUTHORITY.—

‘‘(1) IN GENERAL.—

‘‘(A) FISCAL YEARS 1998 THROUGH 2003.—For the continued construction of the Appalachian development highway system approved as of September 30, 1996, in accordance with this section, there shall be available from the Highway Trust Fund (other than the Mass Transit Account) $40,000,000 for each of fiscal years 1998 through 2000, $50,000,000 for fiscal year 2001, $60,000,000 for fiscal year 2002, and $70,000,000 for fiscal year 2003.

‘‘(B) OBLIGATION AUTHORITY.—The Secretary shall provide equivalent amounts of obligation authority for the funds authorized under subparagraph (A).

‘‘(2) CONTRACT AUTHORITY.—Funds authorized under this subsection shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share shall be determined in accordance with this section and the funds shall remain available in accordance with subsection (a).’’.

SEC. 1118. INTERSTATE 4R AND BRIDGE DISCRETIONARY PROGRAM.

(a) IN GENERAL.—Section 104 of title 23, United States Code (as amended by section 1113(c)(1)), is amended by inserting after subsection (j) the following:

''(k) SET-ASIDE FOR INTERSTATE 4R AND BRIDGE PROJECTS.—

''(1) IN GENERAL.—For each of fiscal years 1998 through 2003, before any apportionment is made under subsection (b)(1), the Secretary shall set aside $200,000,000 from amounts to be apportioned under subsection (b)(1)(A), and $200,000,000 from amounts to be apportioned under subsection (b)(1)(B), for allocation by the Secretary—

''(A) for projects for resurfacing, restoring, rehabilitating, or reconstructing any route or portion of a route on the Interstate System (other than any highway designated as a part of the Interstate System under section 103(c)(4) and any toll road on the Interstate System that is not subject to an agreement under section 119(e) (as in effect on December''.

AMENDMENT NO. 1505

On page 249, strike lines 5 through 11 and insert the following:

''(2) REDESIGNATION.—

''(A) PROCEDURES.—A metropolitan planning organization may be redesignated by agreement between the Governor and units of general purpose local government that together represent at least 75 percent of the affected population (including the central city or cities as defined by the Bureau of the Census) as appropriate to carry out this section.

''(B) CERTAIN REQUESTS TO REDESIGNATE.—A metropolitan planning organization shall be redesignated upon request of a unit or units of general purpose local government representing at least 25 percent of the affected population (including the central city or cities as defined by the Bureau of the Census) in any urbanized area—

''(I) whose population is more than 5,000,000 but less than 10,000,000, or

''(II) which is an extreme nonattainment area for ozone or carbon monoxide as defined under the Clean Air Act.

Such redesignation shall be accomplished using procedures established by subparagraph (A).

SESSIONS AMENDMENTS NOS. 1506–1512

(Ordered to lie on the table.)

Mr. SESSIONS submitted seven amendments intended to be proposed by him to the bill, S 1173, supra; as follows:

AMENDMENT NO. 1506

Beginning on page 77, strike line 16 and all that follows through page 79, line 13.

AMENDMENT NO. 1507

On page 124, strike lines 12 through 19 and insert the following: ''this section for fiscal year 1997, as adjusted to reflect increases in the overall funding for the apportioned Federal-aid highway programs since that fiscal year; or

''(2) the amount that the State will reserve, from funds apportioned to the State for the period consisting of fiscal years 1998 through 2001, to carry out bridge projects eligible under sections 103(b)(5), 119, and 133(b), will be not less than 4 times the amount apportioned to the State under this section for fiscal year 1997, as adjusted to reflect increases in the overall funding for the apportioned Federal-aid highway programs since that fiscal year.

AMENDMENT NO. 1508

On page 136, strike line 22 and insert the following: specified in subparagraph (G).''.

SEC. 11 . PREVAILING RATE OF WAGE.

(a) IN GENERAL.—Section 113 of title 23, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by striking the item relating to section 113.

AMENDMENT NO. 1509

Beginning on page 28, strike line 25 and all that follows through page 30, line 18, and insert the following:

''(a) IN GENERAL.—For each of fiscal years 1998 through 2003, the Secretary shall allocate among the States amounts sufficient to ensure that a State's total apportionments for that fiscal year under sections 104(b) and 206(i), and section 1102(c) of the Intermodal Surface Transportation Efficiency Act of 1997, is not less than 90 percent of the estimated tax payments attributable to highway users in the State paid into the Highway Trust Fund (other than the Mass Transit Account) in the latest fiscal year for which data are available.

''(b) TREATMENT OF ALLOCATIONS.—

On page 39, lines 15 and 16, strike '', excluding amounts allocated under section 105(a)(1)(B) of that title''.

AMENDMENT NO. 1510

On page 104, strike lines 14 through 19 and insert the following:

''(2) SUBSTITUTE CORRIDOR.—

''(A) IN GENERAL.—In lieu of Corridor H in Virginia, the Appalachian development highway system shall include the Virginia portion of the segment identified in section 1105(c)(29) of the Intermodal Surface Transportation Efficiency Act of 1991 (109 Stat. 597).

''(B) EFFECT OF SUBSTITUTION.—The substitution of the segment under subparagraph (A) shall not result in an increase in a State's estimated cost to complete the Appalachian development highway system or in the amount of assistance that the State shall be entitled to receive under this Act.''.

AMENDMENT NO. 1511

Beginning on page 58, strike line 6 and all that follows through page 59, line 14, and insert the following: ''subparagraphs (B), (C), and (D), of the apportionments received for a fiscal year by a State under this section—

''(i) 40 percent shall be used for trail or trail-related projects that facilitate diverse recreational trail use within a trail corridor, trailside, or trailhead, regardless of whether the project is for diverse motorized use, for diverse nonmotorized use, or to accommodate both motorized and non-motorized recreational trail use;

''(ii) 30 percent shall be used for uses relating to motorized recreation; and

''(iii) 30 percent shall be used for uses relating to nonmotorized recreation.

''(B) WAIVER AUTHORITY.—Upon the request of a State trail advisory committee established under subsection (c)(3), the Secretary may waive, in whole or in part, the requirements of subparagraph (A) with respect to the State if the State certifies to the Secretary that the State does not have sufficient projects to meet the requirements of subparagraph (A).

''(C) STATE ADMINISTRATIVE COSTS.—''

AMENDMENT NO. 1512

On page 116, strike lines 3 through 24 and insert the following:

''(i) IN GENERAL.—There shall be available from the Mass Transit Account to carry out this section $10,000,000 for fiscal year 1999 and $20,000,000 for fiscal year 2000.

''(ii) CONTRACT AUTHORITY.—Funds authorized under this subparagraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1, except that—

''(I) the Federal share of the cost of a project carried out under this section shall be determined in accordance with subsection (b); and

''(II) the availability of the funds shall be determined in accordance with paragraph (2).

''(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Mass Transit Account to carry out''.

BREAUX AMENDMENT NO. 1513

(Ordered to lie on the table.)

Mr. BREAUX submitted an amendment intended to be proposed by him to the bill, S. 1773, supra; as follows:

On page 134, strike line 13 and insert the following administrative recommendations of the Secretary.

SEC. 1126A. USE OF CERTAIN TRUCKS FOR HAULING SUGARCANE.

Section 127(a) of title 23, United States Code, is amended by adding at the end the following: ''The State of Louisiana may allow, by special permit, the operation of vehicles with a gross weight of not more than 100,000 pounds for the hauling of sugarcane during the harvest season of sugarcane. A special permit issued under the preceding sentence shall be issued for a period not to exceed 100 days per year.''.

BREAUX (AND LANDRIEU) AMENDMENTS NOS. 1514–1515

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Ms. LANDRIEU) submitted two amendments intended to be proposed by them to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1514

On page 309, strike line 3 and insert the following: designated Route.

SEC. 18 . IDENTIFICATION OF HIGH PRIORITY CORRIDOR ROUTES IN LOUISIANA.

Section 1105 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2031) is amended—

(1) in subsection (c)(1)—

(A) by striking ''Corridor from Kansas'' and inserting the following: ''Corridor—

''(A) from Kansas'';

(B) in subparagraph (A) (as so designated), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(B) from Shreveport, Louisiana, along Interstate Route 49 to Lafayette, Louisiana, and along United States Route 90 to the junction with Interstate Route 10 in New Orleans, Louisiana.''; and

(2) in subsection (e)(5)(A), by inserting ''in subsection (c)(1)(B),'' after ''routes referred to''.

AMENDMENT NO. 1515

On page 318, strike line 15 and insert the following: fiscal year for which the funds are authorized.''.

SEC. 2002A. UNIVERSITY OF NEW ORLEANS INTERMODAL TRANSPORTATION PLANNING AND POLICY CENTER.

(a) IN GENERAL.—In addition to establishing the university transportation centers under subsections (a) and (b) of section 5241 of title 49, United States Code (as added by section 2003 of this Act) the Secretary shall enter into such arrangements as are necessary to assist the University of New Orleans in establishing an Intermodal Transportation Planning and Policy Center (referred to in this subsection as the ''Center'').

(b) NATIONAL UNIVERSITY TRANSPORTATION CENTER.—The Secretary shall designate the Center as a university transit center for purposes of section 5241 of title 49, United States Code.

(c) REQUIREMENTS FOR CENTER.—

(1) IN GENERAL.—The Center shall serve as the lead institution in a consortium of the entities described in paragraph (2).

(2) CONSORTIUM.—At a minimum, the consortium with respect to which the Center serves as lead agency shall consist of—

(A) the Center;

(B) the National Ports and Waterways Institute of Louisiana State University;

(C) a recognized freight intermodal transportation research organization; and

(D) the Louisiana Transportation Research Center.

BREAUX AMENDMENT NO. 1516

(Ordered to lie on the table.)

Mr. BREAUX submitted an amendment intended to be proposed by him to the bill, S. 1173, supra; as follows:

On page 414, strike line 18 and insert the following: App.).''.

SEC. 2103A. COOPERATIVE RESEARCH ON INTELLIGENT TRANSPORTATION SYSTEMS BY THE LOUISIANA STATE UNIVERSITY MEDICAL CENTER NEUROSCIENCE CENTER OF EXCELLENCE, THE GEORGE WASHINGTON UNIVERSITY/VIRGINIA RESEARCH INSTITUTE, AND THE NATIONAL CENTER FOR ADVANCED TRANSPORTATION TECHNOLOGIES AT THE UNIVERSITY OF IDAHO.

(a) DEFINITIONS.—In this section:

(1) CRASH ANALYSIS.—The term ''crash analysis'' means advanced testing and crash simulations that address deficiencies in the use of available airbag technology, including—

(A) crash pulse measurement by airbag triggering sensors;

(B) the development of a smart algorithm to dictate appropriate deployment conditions to minimize potential injuries;

(C) a characterization of injuries of the full range of occupants, vehicle classes, and impact scenarios;

(D) the development of a model to identify preventive measures of neural damage;

(E) the development of a combination of car-to-car, car-to-barrier, and sled tests using advanced computer simulation to thoroughly analyze current problems; and

(F) the conducting of full-scale car-to-car tests of speeds up to 70 miles per hour with—

(i) offsets in the 20 to 100 percent range; and

(ii) impact angles with a range between 0 and 90 degrees; and

(G) the use of a programmable sled test that is capable of reproducing a variety of crash pulses from repeatable crash tests with active restraint systems that use different anthropomorphic test dummy sizes, typed to gender and percentile.

(2) POST-CRASH RESEARCH.—The term ''post-crash research'' means research that addresses post-crash injury control, including—

(A) an automatic crash notification system that sends a message to emergency medical service personnel to alert the personnel to severe crashes, including severe crashes that require immediate medical attention;

(B) the development of advanced sensors that are capable of identifying and locating crash victims in need of time-critical emergency care; and

(C) the development of post-crash pharmaceutical strategies for acute neuroprotection and the promotion of repair and regeneration of neural cells to allow victims of crashes to lead productive lives.

(3) PRE-CRASH ANALYSIS.—The term ''pre-crash analysis'' means the use of driver and vehicle technologies that are designed to ensure that any intelligent systems that are subsequently developed and implemented will be effective when used by all drivers of automobiles (including identifying preventive measures of neurological damages, including redesigning seat-passenger and driver compartments to prevent or limit damage to the eye, inner ear, head, peripheral nerves, and the spinal cord).

(b) GRANT AGREEMENT.—As part of the comprehensive program described in section 524 of title 23, United States Code, as added by section 2103 of this Act, the Secretary shall offer to enter into a grant agreement with the appropriate officials of the George Washington University/Virginia Research Institute, the Louisiana State University Medical Center Neuroscience Center of Excellence, and the National Center for Advanced Transportation Technologies at the University of Idaho to carry out an innovative research project (as that term is used in section 524(b)(4) of title 23, United States Code) to—

(1) accelerate the deployment of technology to improve motor vehicle safety systems;

(2) accelerate the deployment of smart air bags (as that term is defined by the Secretary); and

(3) develop medical technologies to prevent and minimize head and spinal cord injuries.

(c) RESEARCH EMPHASIS.—The research conducted pursuant to the grant agreement referred to in subsection (b) shall emphasize pre-crash analysis, crash analysis, and post-crash research that takes into consideration the effects of humans, motor vehicles, and the environment.

(d) FUNDING.—

(1) IN GENERAL.—Of the funds made available under section 524(f) of title 23, United States Code, to carry out this section, the Secretary shall use—

(A) $15,000,000 for fiscal year 1998; and

(B) $12,000,000 for each of fiscal years 1999 through 2003.

(2) AVAILABILITY OF FUNDS.—Notwithstanding section 524(f)(2) of title 23, United States Code, the funds made available for use under paragraph (1) shall remain available until expended. For purposes of section 524(b)(4)(B) of title 23, United States Code, the research project under this section shall be considered to be an innovative research project.

KERREY AMENDMENTS NOS. 1517–1521

(Ordered to lie on the table.)

Mr. KERREY submitted five amendments intended to be proposed by him to the bill, S. 1173, supra; as follows:

AMENDMENT NO. 1517

Strike ''and ''(14)'' on lines 13 and 14 of page 386, and insert in lieu thereof the following new language:

''(14) to enhance safety where rails meet roads by preventing collisions at railroad grade crossings;

''(15) to encourage the use of intelligent transportation systems to promote the achievement of national transportation safety goals; and

''(16)''.

AMENDMENT NO. 1518

On page 398 line 11, insert after the word ''States'' the following new language: ''and at railroad grade crossings''.

AMENDMENT NO. 1519

Strike ''and ''(5)'' on lines 12 and 13 of page 372 and insert in lieu thereof the following new language:

''(5) the development of cost-effective and innovative techniques to separate automobile and pedestrian traffic from railroad traffic and to eliminate railroad crossings at grade; and

''(6)''.

AMENDMENT NO. 1520

At the appropriate place in the bill add the following new language:

SECTION . SHORT TITLE.

This amendment may be cited as the ''Rural Highway Safety Act''.

SEC. . RURAL 2-LANE HIGHWAY SAFETY PROGRAM.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''§162. Rural 2-lane highway safety program

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish a 2-lane rural highway safety program (referred to in this section as the 'program') to ensure the systematic reconstruction of rural 2-lane arterial and collector highways of substantial length that are not on the National Highway System.

''(2) PRINCIPLES.—Reconstruction under the program shall be carried out in accordance with state-of-the-art principles of—

''(A) safe alignment and cross-section design;

''(B) safe roadside conditions;

''(C) safety appurtenances;

''(D) durable and safe pavement design (especially long-term skid resistance);

''(E) grade crossing safety; and

''(F) traffic engineering.

''(3) COOPERATION WITH STATES AND PRIVATE SECTOR.—The Secretary shall carry out the program in cooperation with State highway departments and private sector experts in highway safety design, including experts in highway safety policy.

''(b) APPORTIONMENT.—For each fiscal year, the Secretary shall apportion—

''(1) 50 percent of the amount made available under subsection (e) to the States in the ratio that—

''(A) the number of miles in the State of rural 2-lane arterial and collector surface roads that are not on the National Highway System; bears to

''(B) the number of miles in all States of rural 2-lane arterial and collector surface roads that are not on the National Highway System; and

''(2) 50 percent of the amount made available under subsection (e) to the States in the ratio that—

''(A) the percentage of the population of the State that resides in rural areas; bears to

''(B) the percentage of the population of all States that resides in rural areas.

''(c) SELECTION OF PROJECTS.—

''(1) IN GENERAL.—The States shall select projects to receive funding under the program based on—

''(A) criteria established in cooperation with the Secretary and other persons that give priority to highways associated with persistently high rates of fatal and non-fatal injuries due to accidents; and

''(B) to the maximum extent practicable, value engineering and life-cycle cost analysis.

''(2) COMPATIBILITY WITH MANAGEMENT SYSTEMS.—To the extent that a State selects projects in accordance with a functioning safety, pavement, bridge, or work zone management system, projects selected under the program shall be compatible with each management system.

''(3) STATEWIDE TRANSPORTATION PLANNING.—The selection of projects by a State under the program shall be carried out in a manner consistent with the statewide transportation planning of the State under section 135.

''(d) REPORT TO CONGRESS.—

''(1) IN GENERAL.—Not later than December 31, 2003, the Secretary shall submit a report to Congress on the results of the program.

''(2) CONTENTS.—The report shall include—

''(A) detailed travel and accident data by class of vehicle and roadway; and

''(B) an evaluation of the extent to which specific safety design features and accident countermeasures have resulted in lower accident rates, including reduced severity of injuries.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $150,000,000 for fiscal year 1998, $125,000,000 for fiscal year 1999, $125,000,000 for fiscal year 2000, $100,000,000 for fiscal year 2001, $100,000,000 for fiscal year 2002, and $100,000,000 for fiscal year 2003.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''162. Rural 2-lane highway safety program.''.

AMENDMENT NO. 1521

At the appropriate place in the bill add the following new language:

SECTION . SHORT TITLE.

This amendment may be cited as the ''Highway Safety Priority Act''.

SEC. . SAFETY OF FEDERAL-AID HIGHWAYS.

(a) APPROVAL OF 3R PROJECTS ON NATIONAL HIGHWAY SYSTEM.—Section 106(b)(1) of title 23, United States Code, is amended by inserting before the period at the end the following: ''and includes the use of full-width lanes and shoulders''.

(b) STANDARDS.—Section 109 of title 23, United States Code, is amended—

(1) in subsection (c), by adding at the end the following:

''(3) SAFETY.—To the maximum extent practicable, a design described in paragraph (1) shall include the use of full-width lanes and shoulders to enhance highway and bridge safety.''; and

(2) in subsection (p), by adding at the end the following: ''The laws (including regulations, directives, and standards) shall ensure appropriate roadside safety improvements, lane and shoulder widening, alignment and sight distance improvements, and conspicuous traffic control devices and pavement markings.''.

(c) CERTIFICATION ACCEPTANCE.—Section 117(b) of title 23, United States Code, is amended by inserting before the period at the end the following: '', including standards that preserve and enhance the safety and mobility of highway users''.

(d) SET ASIDE FOR 4R PROJECTS.—Section 118(c)(2)(B) of title 23, United States Code, is amended by inserting before the period at the end the following: ''and that improves safety while reducing congestion''.

(e) METROPOLITAN PLANNING.—Section 134 of title 23, United States Code, is amended—

(1) in the first sentence of subsection (a), by inserting ''safety and'' after ''maximize'';

(2) in subsection (f)—

(A) in paragraph (1), by inserting ''safety and'' after ''more'';

(B) by redesignating paragraphs (4) through (16) as paragraphs (5) through (17), respectively;

(C) by inserting after paragraph (3) the following:

''(4) The need to prevent accidents involving rail and road users, including bicyclists, pedestrians, and motor vehicles, and to reduce the frequency and severity of such accidents.'';

(D) in paragraph (12) (as redesignated by subparagraph (B)), by inserting ''safe and'' after ''enhance the''; and

(E) in paragraph (14) (as redesignated by subparagraph (B)), by inserting ''safety,'' after ''economic,''; and

(3) in subsection (g)(2)(C)—

(A) in clause (i), by inserting ''and safety'' after ''operational''; and

(B) in clause (ii), by inserting ''safety and'' after ''maximize the''.

THE EXTRADITION TREATIES INTERPRETATION ACT OF 1997

HELMS (AND BIDEN) AMENDMENT NO. 1523

Mr. LOTT (for Mr. HELMS, for himself and Mr. BIDEN) proposed an amendment to the bill (S. 1266) to interpret the term ''kidnapping'' in extradition treaties to which the United States is a party; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Extradition Treaties Interpretation Act of 1997''.

SEC. 2. FINDINGS.

Congress finds that—

(1) each year, several hundred children are kidnapped by a parent in violation of law, court order, or legally binding agreement and brought to, or taken from, the United States;

(2) until the mid-1970's, parental abduction generally was not considered a criminal offense in the United States;

(3) since the mid-1970's, United States criminal law has evolved such that parental abduction is now a criminal offense in each of the 50 States and the District of Columbia;

(4) in enacting the International Parental Kidnapping Crime Act of 1993 (Public Law 103–173; 107 Stat. 1998; 18 U.S.C. 1204), Congress recognized the need to combat parental abduction by making the act of international parental kidnapping a Federal criminal offense;

(5) many of the extradition treaties to which the United States is a party specifically list the offenses that are extraditable and use the word ''kidnapping'', but it has been the practice of the United States not to consider the term to include parental abduction because these treaties were negotiated by the United States prior to the development in United States criminal law described in paragraphs (3) and (4);

(6) the more modern extradition treaties to which the United States is a party contain dual criminality provisions, which provide for extradition where both parties make the offense a felony; and therefore it is the practice of the United States to consider such treaties to include parental abduction if the other foreign state party also considers the act of parental abduction to be a criminal offense; and

(7) this circumstance has resulted in a disparity in United States extradition law which should be rectified to better protect the interests of children and their parents.

SEC. 3. INTERPRETATION OF EXTRADITION TREATIES.

For purposes of any extradition treaty to which the United States is a party, Congress authorizes the interpretation of the terms ''kidnapping'' and ''kidnapping'' to include parental kidnapping.

THE INTERMODAL TRANSPORTATION ACT OF 1997

DOMENICI (AND CHAFEE) AMENDMENT NO. 1522

Mr. DOMENICI (for himself and Mr. CHAFEE) submitted an amendment intended to be proposed by them to the bill S. 1173, supra; as follows:

At the appropriate place, add the following:

TITLE III—ADDITIONAL FUNDING

SEC. 3001. ADDITIONAL FUNDING.

(a) HIGHWAYS.—

(1) APPORTIONMENT.—For each of fiscal years 1999 through 2003, the following additional amounts shall be apportioned among the States so that each State's percentage of the remainder for a fiscal year is equal to the State's percentage of the sum of—

(A) the total apportionments made under section 1102 and the amendments made by section 1102; and

(B) the total amounts made available for metropolitan planning under section 104(f) of title 23, United States Code;

for the current fiscal year.

(2) AMOUNTS.—The amounts referred to in paragraph (1) are the following:

(A) For fiscal year 1999, $0.

(B) For fiscal year 2000, $0.

(C) For fiscal year 2001, $0.

(D) For fiscal year 2002, $0.

(E) For fiscal year 2003, $0.

(3) OBLIGATION OF AMOUNTS.—Amounts apportioned under paragraph (1)—

(A) shall be considered to be sums made available for expenditure on the surface transportation program, except that—

(i) the amounts shall not be subject to paragraphs (1) and (2) of section 133(d) of title 23, United States Code; and

(ii) 50 percent of the amounts shall be subject to section 133(d)(3) of that title;

(B) shall be available for any purpose eligible for funding under section 133 of that title; and

(C) shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the amounts are apportioned.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) such sums as are provided in paragraph (2).

(B) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code.

(b) MASS TRANSIT.—

(1) AUTHORIZATION.—For each of fiscal years 1999 through 2003, the following additional amounts shall be made available to the Secretary to carry out sections 5307, 5309, 5310, and 5311 of title 49, United States Code.

(2) AMOUNTS.—

(A) SECTION 5307, 5310, AND 5311.—The amounts referred to in paragraph (1) are the following amounts to carry out the purposes of section 5307, 5310 and 5311:

(i) For fiscal year 1999, $0.

(ii) For fiscal year 2000, $0.

(iii) For fiscal year 2001, $0.

(iv) For fiscal year 2002, $0.

(v) For fiscal year 2003, $0.

(B) SECTION 5309.—The amounts referred to in paragraph (1) are the following amounts to carry out the purposes of section 5309:

(i) For fiscal year 1999, $0.

(ii) For fiscal year 2000, $0.

(iii) For fiscal year 2001, $0.

(iv) For fiscal year 2002, $0.

(v) For fiscal year 2003, $0.

(3) OBLIGATION OF AMOUNTS.—Amounts made available under this subsection—

(A) shall be considered to be sums made available for expenditure on Federal transit programs;

(B) shall be available for any purpose eligible for funding under the applicable section,

except that funds provided to urbanized areas over 200,000 population under section 5307 shall not be available for operating assistance; and

(C) shall remain available for obligation for the same period of time as if the funds were provided under section 5338 of title 49.

(4) AUTHORIZATION OF CONTRACT AUTHORITY.—

(A) IN GENERAL.—There shall be available from the Mass Transit Account such sums as are provided in paragraph (2).

(B) CONTRACT AUTHORITY.—Funds authorized under this paragraph shall be available for obligation in the same manner as if the funds were apportioned or allocated under sections 5307, 5309, 5310, and 5311 of title 49, United States Code.

(c) POTENTIAL INCREASE FOR TRANSPORTATION SPENDING.—If the fiscal year 1999, 2000, 2001, or 2002 concurrent resolution on the budget assumes higher budget authority and outlay levels for transportation spending than assumed in H. Con. Res. 84 (the fiscal year 1998 budget resolution), the budget resolution shall separately specify the increased budget authority levels for highways and mass transit spending and the outlays flowing from such levels for each fiscal year through fiscal year 2002. If the fiscal year 2003 concurrent resolution on the budget provides additional budget authority and outlays for transportation spending during fiscal year 2003, then that resolution shall separately specify the increased budget authority levels for highway and mass transit spending and the outlays flowing from such levels.

(d) EXPEDITED PROCEDURES.—

(1) DEFINITION OF HIGHWAY AND MASS TRANSIT FUNDING JOINT RESOLUTION.—In this section, the term ''highway and mass transit funding joint resolution'' means a joint resolution, the matter after the resolving clause of which consists solely of the following:

(A) With respect to section 1 of such joint resolution, each blank space being filled in with a specific dollar amount that does not exceed the budget authority level for highways pursuant to subsection (c).

(B) With respect to section 2 of such joint resolution, each blank space being filled in with a specific dollar amount that does not exceed the budget authority level for mass transit pursuant to subsection (c).

(C) With respect to section 3 of such joint resolution, each blank space being filled in by an amount that does not exceed the outlay level pursuant to subsection (c).

''SECTION 1. ADDITIONAL HIGHWAY FUNDING.

''Section 3001(a)(2) of the Intermodal Surface Transportation Efficiency Act of 1997 is amended—

''(1) in subparagraph (A), by striking '$0' and inserting '$_____';

''(2) in subparagraph (B), by striking '$0' and inserting '$_____';

''(3) in subparagraph (C), by striking '$0' and inserting '$_____';

''(4) in subparagraph (D), by striking '$0' and inserting '$_____'; and

''(5) in subparagraph (E), by striking '$0' and inserting '$_____'.

''SEC. 2. ADDITIONAL MASS TRANSIT FUNDING.

''(a) Section 3001(b)(2)(A) of the Intermodal Surface Transportation Efficiency Act of 1997 is amended—

''(1) in clause (i), by striking '$0' and inserting '$ ____';

''(2) in clause (ii), by striking '$0' and inserting '$ ____';

''(3) in clause (iii), by striking '$0' and inserting '$ ____';

''(4) in clause (iv), by striking '$0' and inserting '$ ____'; and

''(5) in clause (v), by striking '$0' and inserting '$ ____'.

''(b) Section 3001(b)(2)(B) of the Intermodal Surface Transportation Efficiency Act of 1997 is amended—

''(1) in clause (i), by striking '$0' and inserting '$ ____';

''(2) in clause (ii), by striking '$0' and inserting '$ ____';

''(3) in clause (iii), by striking '$0' and inserting '$ ____';

''(4) in clause (iv), by striking '$0' and inserting '$ ____'; and

''(5) in clause (v), by striking '$0' and inserting '$ ____'.

''SEC. 3. ADDITIONAL OUTLAYS FOR TRANSPORTATION.

''The discretionary spending limits set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 as adjusted pursuant to that Act are increased by the following amounts:

''(1) With respect to fiscal year 1999, _____ for nondefense outlays.

''(2) With respect to fiscal year 2000, _____ for discretionary outlays.

''(3) With respect to fiscal year 2001, _____ for discretionary outlays.

''(4) With respect to fiscal year 2002, _____ for discretionary outlays.''.

(2) IN THE SENATE.—

(A) INTRODUCTION AND REFERRAL.—

(i) IN GENERAL.—A highway and mass transit funding resolution introduced in the Senate shall be referred (for a period not to exceed 5 days of session, following the date of introduction) first to the Committee on Environment and Public Works and then to the Committee on Banking, Housing, and Urban Affairs. If either committee fails to report the joint resolution within that period, that committee shall be automatically discharged from consideration of the resolution. In the case of the Committee on Environment and Public Works being discharged, the resolution shall then be referred to the Committee on Banking, Housing, and Urban Affairs. In the case of the Committee on Banking, Housing, and Urban Affairs being discharged, the resolution shall be placed on the Calendar.

(ii) MEASURE FROM THE HOUSE.—When the Senate receives from the House of Representatives a highway and mass transit funding joint resolution, such resolution shall not be referred to committee and shall be placed on the Calendar.

(B) LIMITATION ON AMENDMENTS.—Amendments to a highway and mass transit funding joint resolution considered under this section shall be limited to those amendments which either increase or decrease dollar amounts specified in the resolution; but in no case shall such an amendment exceed the levels set out in subsection (c). No motion to suspend the application of this subsection shall be in order, nor shall it be in order in either House for the presiding officer to entertain a request to suspend the application of this subsection by unanimous consent.

(C) FLOOR CONSIDERATION.—

(i) MOTION TO PROCEED.—A motion to proceed to the consideration of a highway and mass transit funding joint resolution under this subsection shall not be debatable. It shall not be in order to move to reconsider the vote by which the motion to proceed was adopted or rejected, although subsequent motions to proceed may be made under this paragraph.

(ii) TIME FOR CONSIDERATION.—After no more than 10 hours of consideration of a highway and mass transit funding joint resolution, the Senate shall proceed, without intervening action or debate to vote on the final disposition thereof to the exclusion of all motions, except a motion to reconsider or to table. The time for consideration shall be equally divided and controlled by the Majority Leader and the Minority Leader or their designees. A motion to recommit a highway and mass transit funding joint resolution shall not be in order.

(iii) POINTS OF ORDER WAIVED.—All points of order against the highway and mass transit funding joint resolution are waived.

(D) JOINT RESOLUTION FROM THE HOUSE OF REPRESENTATIVES.—If prior to the conclusion of consideration pursuant to subparagraph (C)(ii) of a highway and mass transit funding joint resolution originated in the Senate, the Senate receives from the House of Representatives a highway and mass transit funding joint resolution, it shall be in order at the conclusion of consideration of the Senate measure, without any intervening action or debate to proceed to the consideration of the House of Representatives measure, read it for the third time and vote on final disposition thereof to the exclusion of all motions, except a motion to reconsider or to table.

(E) SENATE MEASURE TO CALENDAR.—In the Senate, if a highway and mass transit funding joint resolution received from the House of Representatives is considered pursuant to subparagraph (D) then the Senate measure shall be returned to the Calendar.

(3) IN THE HOUSE OF REPRESENTATIVES.—

(4) APPLICATION OF EXPEDITED PROCEDURES.—The provisions of this subsection (including the wavier of all points of order under paragraph (2)(C)(iii)) shall only apply to a resolution that meets the definition of paragraph (1).

(5) SUNSET.—This subsection shall expire on September 30, 2003.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will conduct a hearing in SR–301, Russell Senate Office Building, on Thursday, October 30, 1997, at 9 a.m. on the Senate Strategic Planning Process for Infrastructure Support. A business meeting to consider pending legislative and administrative matters will immediately follow.

For further information concerning this hearing, please contact Ed Edens of the Rules Committee staff at 224–6678.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, October 23, 1997, at 4:15 p.m. in executive session, to consider pending nominations.

The PRESIDING OFFICE. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Banking Housing, and Urban Affairs be authorized to meet at 2:30 p.m. During the session of the Senate on Thursday, October 23, 1997, to conduct a hearing of the following nominees: Kevin E. Marchman, of Colorado, to be Assistant Secretary of HUD for Public and Indian Housing; Saul N. Ramirez, of Texas, to be Assistant Secretary of HUD for Community Planning and Development; Richard F. Keevey, of Virginia,

to be the Chief Financial Officer of HUD; Eva M. Plaza, of Maryland, to be Assistant Secretary of HUD for Fair Housing and Equal Opportunity; Gail W. Laster, of New York, to be the General Counsel of HUD; Jo Ann Jay Howard, of Texas, to be the Federal Insurance Administrator at the Federal Emergency Management Agency; F. Amanda Debusk, of Maryland, to be Assistant Secretary of Commerce; R. Roger Majak, of Virginia, to be Assistant Secretary of Commerce for Export.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, October 23, for purposes of conducting a full committee hearing which is scheduled to begin at 10 a.m. The purpose of this oversight hearing is to receive testimony on the issue of peaceful nuclear cooperation with China.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. LOTT. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, October 23, 1997, beginning at 10 a.m. in room 215 Dirksen.

The PRESIDING OFFICER. Without objection, it is so ordered

COMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 23, 1997 at 2 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent on behalf of the Government Affairs Committee Special Investigation to meet on Thursday, October 23, at 10 a.m. for a hearing on campaign financing issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, October 23, 1997, at 10 a.m. in room 226 of the Senate Dirksen Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, October 23, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on S. 633, a bill to amend the Petroglyph National Monument Establishment Act of 1990 to adjust the boundary of the monument; and S. 1132, a bill to modify the boundaries of the Bandelier National Monument to include the lands within the headwaters of the Upper Alamo Watershed which drain into the monument and which are not currently within the jurisdiction of a Federal land management agency, to authorize purchase or donation of those lands, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

EMPLOYMENT NONDISCRIMINATION ACT

● Mr. KERRY. Mr. President, I am not a member of the Senate Labor and Human Resources Committee, so I wanted to take a moment to address an issue that was a subject of a hearing in that Committee this morning.

The Chairman of the Committee, Senator JEFFORDS, and my good friend and colleague, the senior Senator from Massachusetts, have co-sponsored an important and much-needed piece of legislation, the Employment Nondiscrimination Act of 1997. I am an original co-sponsor of that bill.

Mr. President, when I was first sworn in as a United States Senator in 1985, I authored the gay and lesbian civil rights bill. At that time, only five other Senators would join me as co-sponsors of that legislation. In the 103rd Congress, I testified before the Armed Services Committee to lift the ban on gay men and lesbians serving in the military.

I agree with those who testified today before the Labor Committee, including Raymond Smith, the chief executive officer of Bell Atlantic, and Herbert Valentine of the Presbyterian Church that ENDA is a solution to a serious problem in our society. I have heard from many Americans who have suffered discrimination in the workplace because of their sexual orientation. It is time for these Americans to have recourse against blatant discrimination, just as Americans who are fired on the basis of their religion, national origin or gender. Massachusetts has recognized the problems of anti-gay and lesbian discrimination in the workplace and already has an ENDA-like law.

Mr. President, last year, I joined 65 of our colleagues in signing a pledge that I would not discriminate on the basis of sexual orientation in hiring, promotion and firing. I personally will not tolerate discrimination in my office. Like the majority of our colleagues, signing this pledge came easy to me. I have always had openly gay and lesbian staff and they have served the people of Massachusetts with effective and committed distinction.

So, now, Mr. President, I urge our colleagues to live up to the pledge they signed and support this important legislation. It is my hope that the Committee will report the bill out as soon as possible and I call upon the Majority Leader to find time to bring this important legislation to the floor for debate. It was voted on last year and wound up in a de facto tie. This year, I am confident it will pass.

Mr. President, for years, groups like the Human Rights Campaign, the National Gay and Lesbian Task Force, Parents, Families and Friends of Lesbians and Gays, and the Leadership Conference on Civil Rights, as well as members of the religious communities across this country, have educated us on the need for this bill. They have worked tirelessly with us to improve this legislation, and I applaud their tenacity and appreciate their friendship. They are dogged advocates for justice and fairness.

Voices as eloquent as those of Coretta Scott King and Senator Barry Goldwater have spoken up in support of ENDA. The President of the United States has signaled his approval of the bill. Let us debate it and pass it soon, Mr. President. Let us send a strong message that all Americans matter, and that no one should suffer discrimination in the work place. Let us move forward in the fight for civil rights.●

BRAIN TUMOR AWARENESS WEEK

● Mr. BIDEN. Mr. President, on Tuesday, Americans from around the country gathered here at the Capitol to hold a rally in conjunction with Brain Tumor Awareness Week. I want to add my voice to those calling attention to this debilitating disease and to the calls for continuing to increase our funding for medical research.

It sounds wrong to call one debilitating disease more important than another. After all, a life-threatening disease is a life-threatening disease. However, as a society, we often get caught up in the rhetoric and publicity surrounding one of these terrible afflictions and forget that, unfortunately, there are a number of other terminal illnesses. While brain tumors do not receive as much press as other terminal illnesses, their impact on the lives of brain tumor patients and their families is equally devastating.

One of those people is a constituent of mine, Ms. Kathy Delledonne-Minutola. She and her husband attended the rally on Tuesday because, four years ago, their son Joseph was diagnosed with a brain stem tumor. The roots of the tumor have wrapped around Joseph's brain stem, a condition which makes removal of the tumor impossible.

Mr. President, there are thousands of people across this country who have been diagnosed with brain tumors, just like Joseph. In fact, each year approximately 100,000 people in the United States are diagnosed with a brain

tumor. Brain tumors are the second leading cause of cancer death for children and young adults up to age 34, and they are one of the fastest growing causes of cancer death in the elderly.

Furthermore, each patient is different, and potential for recovery depends on a number of factors. The type of tumor, its location, the area of the brain involved, and the forms of therapy the patient will receive all contribute to a patient's prognosis. Currently, there is no cure for most malignant brain tumors. Surgery, radiation therapy, and chemotherapy are the three most common treatments. However, because brain tumors are located at the control center for human thought, emotion, and movement, both the tumor and its treatment can have devastating effects on a person's physical and cognitive abilities.

Despite often bleak projections for recovery, however, the community of people who have been affected by this disease has refused to give up. Their courage and support for one another in the face of tragedy is truly inspirational. They are proof that the power of the human spirit can triumph over adversity in even the darkest of moments.

So, Mr. President, in this, Brain Tumor Awareness Week, I rise today to applaud the tireless commitment that brain tumor patients and their families have made to beating this disease. This is a remarkable group of people. However, they cannot take on the burden of finding a cure on their own. We in Congress need to help, and I look forward to working with my colleagues, as I have in the past, to support medical research funding. While Brain Tumor Awareness Week may only last seven days, our commitment to finding a cure must be a year-round endeavor.●

ONE HUNDRED YEARS OF BOSTON'S SUBWAY

● Mr. KERRY. Mr. President, I rise to call attention today to the centennial of the first subway in the United States. On September 1, 1897, the first ride took place from Boylston Street to Park Street in Boston, MA.

Anyone who has ever lived in Boston has experienced the excellent service that this subway system provides. Students in the higher education capital of the United States—if not of the entire world—have long utilized the subways. Just to cite several examples: the Green Line goes to Boston College, Boston University, and Northeastern University; and the Red Line has stops at or near Harvard University, the Massachusetts Institute of Technology, and Tufts University. In fact, the Red Line derives its name from the Crimson of Harvard University.

Green is not only a color of a line in the Boston subway system, but an important symbol of the benefits of public transportation—namely community revitalization, economic development, and environmental protection. This historic occasion makes this a propitious moment to take a look at how these benefits have played out over the past century.

Greater Boston faced a choice of continuing to build highway arteries through the living heart of the city or to improve mass transit systems out to what we called the ''subway suburbs.'' We in Massachusetts made the right choice by developing the new Orange Line along the Southwest corridor in the 1980's and reviving the Old Colony commuter rail line in this decade. These choices preserved communities, led to new economic growth, and minimized the environmental damage caused by automobiles stuck in rush-hour traffic.

These choices have not come, however, without incurring significant costs. For example, fares have increased from a nickel a century ago to a dime in 1919, a quarter in 1968, and a half-dollar in 1980. Today, a subway ride costs $0.85, although monthly commuters can travel more cheaply.

Looking at the cost issue in a larger sense, in 1897, the subway system cost $4.4 million. On September 25 of this year, I announced Senate committee approval of a 6-year reauthorization of mass transit programs that will bring more than $300 million in additional ISTEA transit funds to Massachusetts. I am pleased that Massachusetts received its fair share of transit spending; I look forward to working with all of my colleagues to ensure that my State and others will receive their fair shares of highway funds as well.

This is an extraordinarily exciting time for mass transit in Massachusetts. While everyone knows about the Central Artery Project that will revolutionize automobile travel in Boston, other cities in Massachusetts, like Worcester and Springfield, are rebuilding their historic train stations, creating true multimodal centers to restore available, efficient, and flexible transportation for working people. The Federal commitment to transit that was announced last month will ensure improved services are available for years to come not only for Boston, but also for cities around the Commonwealth and across our country.

Mass transit systems like Boston's are also important for enhancing the lives of individuals with disabilities. I am pleased with the recent reauthorization of an initiative of mine called Project Action, which helps disabled people gain access to public transportation by working with transit operators and the disabled community to implement the transportation provisions of the Americans with Disabilities Act. Project Action has increased accessibility to buses and trains nationwide.

Excellent mass transit systems like the one that we are fortunate to have in Boston play critical roles in the welfare reform effort. As we attempt to create more jobs so that welfare recipients can enter into the working world, we must not lose sight of the fact that these employees will need an affordable and reliable means of transportation so that they can get to their jobs. Those who took part in the first subway ride a century ago could not have envisioned the important economic role that the subway system would play; those of us who know about this need today must remain ever vigilant against attacks that would cut Federal support for mass transportation.

If Washington did cut transit funding, then how would Charlie ever get out of the subway? Almost 40 years ago, passengers who switched from subway to trolley lines had to pay another nickel to exit the system. The Kingston Trio popularized the plight of a Boston subway passenger in their song ''The MTA.'' Its lyrics include the following verse:

Charlie's wife goes down to the Scollay Square Station,
Every day at a quarter past two.
And through the open window she hands Charlie a sandwich,
As the train comes rumbling through.

Mr. President, Scollay Square Station is now Government Center at Scollay Square, but the Boston subway system continues to thrive. I urge all of my colleagues to join me today in hailing all of the women and men who, over the last 100 years, have worked and traveled on Boston's subway system. Even now, the subway is more than a historical landmark; rather, it is the lifeblood of the historic and vital metropolis that is Boston.●

ORDER OF BUSINESS

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. I thank the Chair.

(The remarks of Mr. LOTT pertaining to the introduction of S. 1310 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

UNANIMOUS-CONSENT AGREEMENT—CONFIRMATION OF ALGENON L. MARBLEY

Mr. LOTT. Mr. President, as in executive session, I ask unanimous consent that at 5 p.m. on Monday, October 27, the Senate immediately proceed to executive session and a vote on the confirmation of the nomination of Calendar No. 329, Algenon L. Marbley, to be U.S. District Judge for the Southern District of Ohio. I further ask unanimous consent that immediately following the vote the motion to reconsider be laid upon the table and the President immediately be notified of the Senate's action and the Senate then return to legislative session.

I emphasize this is a vote that would occur at 5 p.m. on Monday. This is for Judge Marbley in the Southern District of Ohio. I believe Senator DASCHLE and I have talked about this vote on this judge occurring on Monday.

So I make that request.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered. The minority leader.

Mr. DASCHLE. Mr. President, if the majority leader would yield, I ask that we make a short quorum call prior to the time he makes the next unanimous-consent request.

Mr. LOTT. Mr. President, I observe a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I believe that the order provides for speaking, I presume it was in morning business, for me to speak and I was to be followed by Senator BYRD.

Mr. BYRD. Will the distinguished Senator yield?

Mr. CHAFEE. Yes, certainly.

Mr. BYRD. Mr. President, I didn't understand we were in a period for morning business. At the time I was about to speak, I thought we were on the highway bill. But in any event, if the two leaders are ready to proceed, I will desist until I can address the Senate.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations on the Executive Calendar: No. 137, which is Kevin Thurm, to be Deputy Secretary of HHS; No. 286, Edward Shumaker, to be Ambassador to Trinidad and Tobago; No. 304, Ellen Seidman, to be Director of the Office of Thrift Supervision; and No. 277, Peter Scher, to be Ambassador as Special Trade Negotiator.

I further ask unanimous consent that the nominations be confirmed; that the motion to reconsider be laid upon the table; that any statements relating to the nominations appear at the appropriate place in the RECORD; and that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Kevin L. Thurm, of New York, to be Deputy Secretary of Health and Human Services.

DEPARTMENT OF STATE

Peter L. Scher, of the District of Columbia, for the rank of Ambassador during his tenure of service as Special Trade Negotiator.

DEPARTMENT OF STATE

Edward E. Schumaker, III, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Trinidad and Tobago.

DEPARTMENT OF THE TREASURY

Ellen Seidman, of the District of Columbia, to be Director of the Office of Thrift Supervision for a term of five years.

TREATIES

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to consider the following treaties on today's Executive Calendar: Nos. 3, 4, 5, 6, and 7. I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification; that all committee provisos, reservations, understandings, and declarations be considered agreed to; that any statements be printed in the CONGRESSIONAL RECORD as if read; and that the Senate take one vote on the resolutions of ratification to be considered as separate votes; further, that when the resolutions of ratification are voted upon, the motion to reconsider be laid upon the table; that the President be notified of the Senate's action; and that following the disposition of the treaties, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the resolutions of ratification will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

The resolutions of ratification were agreed to as follows:

AGREEMENT WITH HONG KONG FOR THE SURRENDER OF FUGITIVES

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Agreement Between the Government of the United States of America and the Government of Hong Kong for the Surrender of Fugitive Offenders signed at Hong Kong on December 20, 1996 (Treaty Doc. 105–3), subject to the understandings of subsection (a), the declarations of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDINGS.—The Senate's advice and consent is subject to the following two understandings, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) THIRD PARTY TRANSFERS.—The United States understands that Article 16(2) permits the transfer of persons surrendered to Hong Kong under this Agreement beyond the jurisdiction of Hong Kong when the United States so consents, but that the United States will not apply Article 16(2) of the Agreement to permit the transfer of persons surrendered to the Government of Hong Kong to any other jurisdiction in the People's Republic of China, unless the person being surrendered consents to the transfer.

(2) HONG KONG COURTS' POWER OF FINAL ADJUDICATION.—The United States understands that Hong Kong's courts have the power of final adjudication over all matters within Hong Kong's autonomy as guaranteed in the 1984 Sino-British Joint Declaration on the Question of Hong Kong, signed on December 19, 1984, and ratified on May 27, 1985. The United States expects that any exceptions to the jurisdiction of the Hong Kong courts for acts of state shall be construed narrowly. The United States understands that the exemption for acts of state does not diminish the responsibilities of the Hong Kong authorities with respect to extradition or the rights of an individual to a fair trial in Hong Kong courts. Any attempt by the Government of Hong Kong or the Government of the People's Republic of China to curtail the jurisdiction and power of final adjudication of the Hong Kong courts may be considered grounds for withdrawal from the Agreement.

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following two declarations, which shall be binding on the President:

(1) REPORT ON THE HONG KONG JUDICIAL SYSTEM.—One year after entry into force, the Secretary of State, in coordination with the Attorney General, shall prepare and submit a report to the Committee on Foreign Relations that addresses the following issues during the period after entry into force of the Agreement:

(i) an assessment of the independence of the Hong Kong judicial system from the Government of the People's Republic of China, including a summary of any instances in which the Government of the People's Republic of China has infringed upon the independence of the Hong Kong judiciary;

(ii) an assessment of the due process accorded all persons under the jurisdiction of the Government of Hong Kong;

(iii) an assessment of the due process accorded persons extradited to Hong Kong by the United States;

(iv) an accounting of the citizenship and number of persons extradited to Hong Kong from the United States, and the citizenship and number of persons extradited to the United States from Hong Kong;

(v) an accounting of the destination of third party transfer of persons who were originally extradited from the United States, and the citizenship of those persons;

(vi) a summary of the types of crimes for which persons have been extradited between the United States and Hong Kong.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification with respect to the INF Treaty.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall not be included in the instrument of ratification to be signed by the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

Mr. ASHCROFT. Mr. President, I rise to address the United States-Hong Kong Extradition Treaty, a treaty which I have followed closely in its passage through the Senate Foreign Relations Committee.

To most Americans, the seemingly nebulous topic of extradition treaties is not particularly important. But let us not be distracted by the complex legal jargon that accompanies this

agreement with Hong Kong. Our extradition agreements strike at the very heart of equality before the law, one of our most cherished freedoms in America. Our judicial system seeks to protect the due process right of foreigner and native citizen alike, and our extradition treaties with other nations are based on the premise that any person we transfer to a foreign court system will receive similarly just treatment.

The extradition treaty with Hong Kong is thus a very important consideration in assessing the future prospects for freedom in the former colony, now under Chinese rule. We need to consider this extradition treaty in light of China's overall behavior toward Hong Kong in recent months. China's actions to undermine democracy in Hong Kong cast doubt on the future of civil liberties in the British colony. China has declared the elected Hong Kong legislature invalid and appointed a hand-picked provisional legislative body. China's appointed chief executive of Hong Kong, Tung Chee-hwa, has announced additional measures to restrict civil liberties in the colony.

Public protests will have to receive prior approval and could be banned to protect ''national security.'' Hong Kong political organizations will be required to register with the government and will be prohibited from seeking or receiving funds from overseas organizations. Under China's definition of a Hong Kong political group, international organizations that expose China's human rights abuses also will be banned from receiving critical foreign funding. In light of these troubling steps taken by Beijing, not to mention China's violation of trade agreements, weapons proliferation commitments, and human rights standards, there are few doubts in my mind that China will bend the rules of this extradition treaty we are considering today.

The extradition treaty contains provisions that supposedly preserve due process and the ability of the United States to refuse extradition requests that are politically motivated. As with all international agreements, however, effective enforcement is essential to protect American interests. The strongest treaty language in the world is meaningless without presidential vigilance, a vigilance I find appallingly lacking in the Clinton administration. This administration has failed to confront China consistently on human rights violations, trade barriers, and weapons proliferation. I am concerned that the administration will adopt a similarly lax attitude in the enforcement of this treaty.

The Clinton administration's defense of Hong Kong in other areas has been weak at best. The White House has been hesitant to meet with political activists from the colony, and Vice President GORE failed to include Hong Kong in the itinerary of his last trip to East Asia. The 6 million people in Hong Kong deserve better treatment from America. The fight to preserve liberty in Hong Kong could be the battle that determines the outcome of the overall campaign to cultivate democracy in China. Hong Kong serves as yet another example of liberty to over 1 billion Chinese, and the effective removal of that example would set back the march of freedom in China.

In considering this extradition treaty, we need to be honest. We are not signing this treaty with Hong Kong alone, but with Beijing. By doing so, we could be placing our stamp of approval on a court system that will, by all appearances, increasingly be an extension of the Chinese Communist Party.

The United States has never before signed a treaty to extradite human beings to a totalitarian Communist regime, and I hope this treaty will not turn into the first example of such policy. The United States has been given a great trust as the leader of the free world, and the international commitments we make should reflect our country's commitment to democracy and the rule of law.

We in America need to realize that the forces of justice and liberty are at work in the Chinese people just as they have been at work with such stunning effect in other nations around the world. When China embraces democracy—just as South Korea, Taiwan, and Japan have done—the rule of law will follow. Until that day arrives, it will be good to say we stood by the Chinese people in their struggle for justice and liberty. Effective enforcement of this extradition treaty will be an important step in ensuring that the example of freedom in Hong Kong is preserved for the benefit of all Chinese.

Mr. BIDEN. Mr. President, the reversion of Hong Kong to the People's Republic of China is a historic event, the full impact of which may not be known for years. At midnight on June 30, the world watched as the flag of the United Kingdom came down over Hong Kong, the final chapter of over a century of the British Empire's presence in the Far East. July 1 dawned with the flag of China flying over Victoria Harbor, providing a great moment of pride for the people of China as Beijing recovered a territory lost in humiliating fashion to foreign powers.

For the cause of freedom, the reversion is a conundrum.

Some observers warn that China intends to trample Hong Kong's freedoms. After a decade in which millions have cast off the yoke of Communist rule of the Soviet Empire, the subjugation of the people of Hong Kong to the control of a dictatorial government in Beijing is surely a sad anomaly.

Others predict optimistically that in the end China, not Hong Kong, will be transformed by the new union. They point to the changes already underway in China, and foresee a more prosperous, open, plural, and democratic system for one-fifth of the world's population.

I believe the future of Hong Kong, like that of China, is not yet written. The actions of the United States will affect the ability of the people of Hong Kong to preserve their democratic freedoms and overall quality of life.

Visiting Washington recently on his first trip abroad as Hong Kong's Chief Executive, Tung Chee-hwa rightly took pride in the former colony's smooth transition to Chinese rule. But he also candidly acknowledged that preserving Hong Kong's economic vitality and expanding the democratic freedoms enjoyed by its 5½ million residents required not only a steady hand in Hong Kong, but also the sustained interest and support of the international community.

It is in this context that we must view the U.S.-Hong Kong extradition agreement.

Approval of the treaty is a risk, for it is predicated on a question which cannot be answered in the abstract. The question is this: will the Beijing Government adhere to its pledge to permit Hong Kong a high degree of autonomy for at least 50 years? In other words, will China abide by its promise to maintain ''one country, two systems?''

No one can answer that question definitively today—not the people of Hong Kong, not the British Government, not the Clinton administration, not even the gerontocracy in Beijing, which struggles to chart a course for China's modernization in the post-Deng Xiao Ping era.

Of course, there is always the risk that a treaty partner will prove to be unreliable. That risk is particularly acute here, where the treaty partner—the Hong Kong Government—will be overseen by a government in Beijing which has often failed to adhere adequately to commitments made to the United States.

Standing opposite that risk are the benefits that flow from having an extradition relationship with Hong Kong. For most of this decade, the relationship has undeniably been in our interests. Since 1991, more than 60 persons have been returned to the United States from Hong Kong pursuant to extradition requests, many of them for serious crimes such as narcotics trafficking. By contrast, we have extradited just seven persons to Hong Kong.

Moreover, the extradition treaty is a critical component of our overall law enforcement cooperation with Hong Kong authorities—cooperation which has proven enormously successful over the years in combating organized crime, drug smuggling, and international terrorism.

Finally, this treaty contains extraordinary protections against any attempt by Beijing to meddle with or politicize the extradition process.

Indeed, the treaty provides several protections against valid concerns that the PRC may renege on its pledge to permit Hong Kong to retain an independent judiciary. The treaty contains several safeguards; these include: First, a provision allowing the United States broad power to refuse to surrender U.S.

nationals in cases relating to ''the defense, foreign affairs, or essential public interest or policy of the United States'' (Article 3); second, a provision permitting the Secretary of State to deny extradition if the request was politically motivated, or the person sought is likely to be denied a fair trial or punished because of his race, religion, nationality, or political opinions (Article 6); and third, a provision barring the retransfer of any fugitive beyond the territory of Hong Kong without U.S. consent (Article 16).

The Committee has added included two provisions in the resolution of ratification that provide additional protection. First, understanding No. 1 makes it plain that the United States will not permit the retransfer to the People's Republic of China of any persons surrendered under this agreement, unless the person being surrendered consents to the transfer. Understanding No. 2 makes a strong statement in support of the independence of the Hong Kong judiciary, by stating that any effort to curtail the jurisdiction and power of adjudication of the Hong Kong courts may be considered grounds for withdrawal from the Agreement.

In exercising its power to advise and consent, the Senate must balance the risks that China will interfere with the autonomy of Hong Kong against the likely benefits to U.S. law enforcement that will flow from the agreement. In my view, the benefits clearly outweigh the risks. And the safeguards in the treaty, in addition to the provisions in the resolution of ratification, provide strong protection of U.S. interests and of the rights of those persons who may be surrendered under the treaty.

By ratifying this treaty, the Senate will send a strong signal to the people of Hong Kong that we have confidence in their ability to make the unique ''one country, two systems'' formula work. We also send a strong message to Beijing that we will not tolerate any efforts to undermine the traditional autonomy and impartiality of Hong Kong's judiciary. I urge my colleagues to join me in supporting ratification of the Hong Kong extradition agreement.

CONSTITUTION AND CONVENTION OF THE INTERNATIONAL TELECOMMUNICATION UNION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Constitution of the International Telecommunication Union (ITU), with Annexes, signed at Geneva on December 22, 1992, and Amendments to the Constitution and Convention, signed at Kyoto on October 14, 1994, together with Declarations and Reservations by the United States contained in the Final Acts (Treaty Doc. 104–34), subject to declarations and reservations Nos. 68, 73 and 82 of the 1992 Final Acts; declarations and reservations Nos. 84, 92, 97, and 98 of the 994 Final Acts; and the understandings of subsection (a), the declarations of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDINGS.—The Senate's advice and consent is subject to the following two understandings, which shall be included in the instrument of ratification, and shall be binding on the President.

(1) BROADCASTS TO CUBA.—The United States of America, noting the Statement (No. 40) entered by the delegation of Cuba during the Plenipotentiary Conference of the International Telecommunication Union, in Kyoto Japan, affirms its rights to broadcast to Cuba on appropriate frequencies free of jamming or other wrongful interference and reserves its rights to address existing interference and any future interference, by Cuba with United States broadcasting. Furthermore, the United States of America notes that its presence in Gurantanamo is by virtue of an international agreement presently in force; the United States of America reserves the right to meet its radio communication requirements there as heretofore.

(2) GEOSTATIONARY-SATELLITE ORBITS.—The United States understands that the reference in Article 44 of the Constitution to the ''geographical situation of particular countries'' does not imply a recognition of claim to any preferential rights to the geostationary-satellite orbit.

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following two declarations, which shall be binding on the President:

(1) ASSESSED PAYMENTS TO THE UNITED NATIONS INTERNATIONAL TELECOMMUNICATION UNION.—Payments by the United States to the International Telecommunication Union shall be limited to assessed contributions, appropriated by Congress. This provision does not apply to United States payments voluntarily made for a specific purpose other than the payment of assessed contributions. The United States shall seek to amend Article 33(3) of the ITU Convention to eliminate to ITU's authority to impose interest payments on ITU members.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1998, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The Senate's resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TREATY ON MARITIME BOUNDARIES BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Maritime Boundaries between the United States of America and the United Mexican States, signed at Mexico City on May 4, 1978 (Ex. F, 96–1), subject to the declaration of subsection (a), and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

PROTOCOL BETWEEN THE UNITED STATES AND CANADA AMENDING THE 1916 CONVENTION FOR THE PROTECTION OF MIGRATORY BIRDS IN CANADA AND THE UNITED STATES

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Between the United States and Canada Amending the 1916 Convention for the Protection of Migratory Birds in Canada and the United States, with Related Exchange of Notes, signed at Washington on December 14, 1995 (Treaty Doc. 104–28), subject to the understanding of subsection (a), the declaration of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) INDIGENOUS INHABITANTS.—The United States understands that the term ''indigenous inhabitants'' as used in Article II(4)(b) means a permanent resident of a village within a subsistence harvest area, regardless of race. In its implementation of Article II(4)(b), the United States also understands that where it is appropriate to recognize a need to assist indigenous inhabitants in meeting nutritional and other essential needs, or for the teaching of cultural knowledge to or by their family members, there may be cases where, with the permission of the village council and the appropriate permits, immediate family members of indigenous inhabitants may be invited to participate in the customary spring and summer subsistence harvest.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President;

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED MEXICAN STATES AMENDING THE CONVENTION FOR THE PROTECTION OF MIGRATORY BIRDS AND GAME MAMMALS.

Resolved, (two-thirds of the Senators present concurring therein, That the Senate advise and consent to the ratification of the Protocol between the Government of the United

States of America and the Government of the United Mexican States Amending the Convention for the Protection of Migratory Birds and Game Mammals, signed at Mexico City on May 5, 1997 (Treaty Doc. 105–26), subject to the understanding of subsection (a), the declaration of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) INDIGENOUS INHABITANTS.—The United States understands that the term ''indigenous inhabitants'' as used in Article I means a permanent resident of a village within a subsistence harvest area, regardless of race. In its implementation of Article I, the United States also understands that where it is appropriate to recognize a need to assist indigenous inhabitants in meeting nutritional and other essential needs, or for the teaching of cultural knowledge to or by their family members, there may be cases where, with the permission of the village council and the appropriate permits, immediate family members of indigenous inhabitants may be invited to participate in the customary spring and summer subsistence harvest.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1998, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I ask unanimous consent to propound a parliamentary inquiry concerning the treaties that were agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, did the Chair actually count Senators on the division that took place with respect to the adoption of the resolution of ratification of those treaties?

The PRESIDING OFFICER. The Chair is required to and so did.

Mr. BYRD. I thank the Chair.

Mr. LOTT. Mr. President, those treaties were the Agreement with Hong Kong for the Surrender of Fugitive Offenders; the International Telecommunications Union Constitution and Convention; the U.S.-Mexico Treaty on Maritime Boundaries; the Migratory Bird Protocol with Canada; and the Migratory Bird Protocol with Mexico.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

AUTHORIZING EXPENDITURES FOR CONSULTANTS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 138, submitted earlier today by Senator WARNER and Senator FORD.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 138) authorizing the expenditures for consultants by the Committee on Rules and Administration.

The Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 138) was agreed to, as follows:

S. RES. 138

Resolved. That section 16(b) of Senate Resolution 54, 105th Congress, agreed to February 13, 1997, is amended by striking ''$300,000'' and inserting ''$400,000''.

EXTRADITION TREATIES INTERPRETATION ACT OF 1997

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 196, S. 1266.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1266) to interpret the term ''kidnaping'' in extradition treaties to which the United States is a party.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1523

(Purpose: To provide substitute language for the text of the bill)

Mr. LOTT. Mr. President, Senator HELMS has a substitute amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. HELMS, for himself, and Mr. BIDEN, proposes an amendment No. 1523.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Extradition Treaties Interpretation Act of 1997''.

SEC. 2. FINDINGS.

Congress finds that—

(1) each year, several hundred children are kidnapped by a parent in violation of law, court order, or legally binding agreement and brought to, or taken from, the United States;

(2) until the mid-1970's, parental abduction generally was not considered a criminal offense in the United States;

(3) since the mid-1970's, United States criminal law has evolved such that parental abduction is now a criminal offense in each of the 50 States and the District of Columbia;

(4) in enacting the International Parental Kidnapping Crime Act of 1993 (Public Law 103–173; 107 Stat. 1998; 18 U.S.C. 1204), Congress recognized the need to combat parental abduction by making the act of international parental kidnapping a Federal criminal offense;

(5) many of the extradition treaties to which the United States is a party specifically list the offenses that are extraditable and use the word ''kidnapping'', but it has been the practice of the United States not to consider the term to include parental abduction because these treaties were negotiated by the United States prior to the development in United States criminal law described in paragraphs (3) and (4);

(6) the more modern extradition treaties to which the United States is a party contain dual criminality provisions, which provide for extradition where both parties make the offense a felony, and therefore it is the practice of the United States to consider such treaties to include parental abduction if the other foreign state party also considers the act of parental abduction to be a criminal offense; and

(7) this circumstance has resulted in a disparity in United States extradition law which should be rectified to better protect the interests of children and their parents.

SEC. 3. INTERPRETATION OF EXTRADITION TREATIES.

For purposes of any extradition treaty to which the United States is a party, Congress authorizes the interpretation of the terms ''kidnaping'' and ''kidnapping'' to include parental kidnapping.

Mr. BIDEN. Mr. President, I am pleased that the Senate is today acting on the Extradition Treaties Interpretation Act. I appreciate the cooperation of the chairman of the committee, and the cooperation and assistance of the executive branch, in moving this bill forward.

The bill is very short, and I will not take the Senate's time to review it at length. In brief, the bill is designed to remedy a disparity in U.S. extradition law and practice. The disparity is this: under certain extradition treaties, the crime of parental abduction—when one parent takes a child in violation of law or a custody order and against the wishes of the other parent—is not extraditable. That is so for two related reasons.

The criminalization of parental abduction is a relatively recent development in U.S. criminal law. Prior to the mid-1970's, parental abduction was generally considered a family law matter not covered by criminal law. In the last two decades or so, U.S. criminal law has evolved significantly. All 50 states

make the act a crime, as does the District of Columbia and the Federal Government.

As a consequence of this development in the law, a disparity has been created in U.S. extradition law. The disparity occurs in a subset of extradition treaties referred to as ''list'' treaties—so named because they specifically enumerate, or list, the crimes under the treaty that are considered extraditable. Thus, because the act of parental abduction was not a crime when these older list treaties were ratified, it has been the practice of the executive branch to interpret the treaties as excluding parental abduction. This concern does not arise in more modern ''dual criminality'' treaties, which avoid the limiting nature of the list treaties by allowing extradition in any case where both countries make a practice a felony.

Seeking to remove this disparity, the Clinton administration has requested authority to adopt a new interpretation of the term ''kidnapping'' in the list treaties so that it encompasses parental abduction. The Foreign Relations Committee strongly supports this request, and voted unanimously last month to report the bill to the Senate.

The chairman and I have offered a substitute amendment which makes several changes to the Committee-reported bill which were recommended by the Justice Department after it gave closer review to the legislation. The changes are modest, and mostly technical. I would highlight only one: the committee-reported bill provided, in the operative section of the bill, section 3, that the Congress authorizes the interpretation of the term kidnapping to include international parental kidnapping. The substitute omits the word ''international,'' for an important reason: the crime of international parental abduction, which includes as an element the taking of a child out of the country, is a Federal offense. But the practical reality is that most extradition cases will involve crimes prosecuted at the state level, where the offense does not include the aforementioned element of removing the child from the country. Thus, the substitute ensures that the bill has the broadest possible reach.

Mr. President, the abduction of children by their parents is a heartwrenching crime. This bill will ensure that there is no disparity in U.S. extradition law and practice with regard to this crime, and, I hope, will help lead to the extradition of individuals wanted for this crime. I urge my colleagues to support the bill.

Mr. LOTT. Mr. President, I ask unanimous that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1523) was agreed to.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, as amended; that the motion to reconsider be laid upon the table; and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1266), as amended, was read the third time and passed.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I believe there is still some more debate on the ISTEA legislation or other actions that may be considered tonight. So we will not do the closing at this time. But just so Senators will know what the present situation is and what they can expect later on tonight, of course, we do not expect any further recorded votes tonight. It is our anticipation that at 9:45 in the morning, there will be a vote on the cloture motion relating to the ISTEA highway construction bill. I am still trying to find a way to clear this bill of the obstructions that have been placed in its path so that we will have safe highways and safe roads and get this major legislation through the Senate. We have had two cloture votes. The next cloture vote will be tomorrow at 9:45 a.m.

We made a serious effort today by all concerned on both sides of the aisle and both sides of the issue with relation to the campaign finance reform matter to find a way to move forward, and I believe that Senator DASCHLE and I had basically reached an agreement, but then other Senators indicated that they wanted something more and we couldn't complete that agreement.

I think that is really unfortunate. I thought what we had come up with was very fair, that we would take up campaign finance reform by the first week of March and that amendments would be in order. But we will continue to work on it, hopefully, because I do think this is very important legislation. I will have to make a decision as majority leader after tomorrow's cloture vote as to what to do at that point. If we get cloture, obviously, we will go right on with the amendments with regard to ISTEA, the highway transportation bill, and I believe we can get it completed next week even though we have a lot of very important amendments pending.

If we don't get cloture, I have to make a call as to whether to spend another half of a week trying to cut off basically the filibuster that has gone on with regard to this legislation and move on to other matters. I think that would be unfortunate. I think this is important legislation that needs to be passed.

On Monday, if we have not been able to clear from hold the Federal Reserve nominees, it would be my intention to move to debate those and get a vote on them. And we also are going to have to act early next week, in some form, with regard to the threatened Amtrak strike.

Beyond that, we will consult with Members on both sides of the aisle and let them know what will be the legislative schedule next week.

If we cannot get something worked out on ISTEA, we will move on to other issues. And, of course, I would like to continue to work on the Executive Calendar, but that takes cooperation on both sides of the aisle. And if we cannot get cooperation on committee meetings and on how we resolve campaign finance reform, I guess we will not get cooperation on nominations either. But we will keep moving forward and see if we can come to some reasonable agreement so we can get this very important legislation completed.

I yield the floor, Mr. President.

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The Senate is still conducting morning business until 6:30 this evening.

Mr. BYRD. Mr. President, I wonder if the distinguished majority leader would mind if the Senate returned to the consideration of the highway bill?

Mr. LOTT. Mr. President, I would have no objection to that. I would like to make sure that the manager of the bill has no objection at this time.

Mr. CHAFEE. It is my understanding that the distinguished Senator from West Virginia is going to make some comments and no motions or anything are involved. It is strictly some remarks in connection with the legislation.

Mr. BYRD. That is correct. I would like to make them while the highway bill is pending before the Senate.

Mr. CHAFEE. So I have no objection.

Mr. BYRD. I thank the Chair.

INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1997

The PRESIDING OFFICER. If there is no objection, the Senate will proceed to consideration of the highway bill. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1173) to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Chafee/Warner amendment No. 1312, to provide for a continuing designation of a metropolitan planning organization.

Chafee/Warner amendment No. 1313 (to language proposed to be stricken by the committee amendment, as modified), of a perfecting nature.

Chafee/Warner amendment No. 1314 (to Amendment No. 1313), of a perfecting nature.

Motion to recommit the bill to the Committee on Environment and Public Works, with instructions.

Lott amendment No. 1317 (to instructions of the motion to recommit), to authorize funds for construction of highways, for highway safety programs, and for mass transit programs.

Lott amendment No. 1318 (to Amendment No. 1317), to strike the limitation on obligations for administrative expenses.

Mr. BYRD. Mr. President, with reference to the highway bill, on yesterday I, on behalf of Senators GRAMM, BAUCUS, and WARNER, introduced an amendment for printing only and also for the purpose of having that amendment appear in the CONGRESSIONAL RECORD. And I was not offering the amendment in the usual sense that I was calling it up, and so consent was granted.

At that time I indicated that there were several Senators who wished to be added as cosponsors of that proposed amendment. And I wish to add these names today to those that I stated yesterday: Senators BROWNBACK, CAMPBELL, CONRAD, CRAIG, GLENN, HELMS, LEVIN, and KEMPTHORNE. And I wish to remove the name of Mr. COATS. That name was included in error yesterday. And so I ask unanimous consent that the RECORD show that the name of Mr. COATS was removed and also to indicate the additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Yesterday I indicated that I would present for the RECORD the history of the Federal gasoline excise taxes since the inception of the highway trust fund. I ask unanimous consent that I may have printed for the RECORD such history.

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

HISTORY OF FEDERAL GASOLINE EXCISE TAXES SINCE THE INCEPTION OF THE HIGHWAY TRUST FUND

The enactment of the Federal Aid Highway and Highway Revenue Act of 1956 (PL 84–627), called for all Federal gasoline excise taxes to be placed in the newly established Highway Trust Fund. Between 1956 and 1990, the Congress, on numerous occasions, voted to extend these gasoline excise taxes with all of the revenue being devoted to the Highway Trust Fund.

The Omnibus Budget Revenue Reconciliation Act of 1990 (PL 101–508) increased the Federal gasoline tax by 5 cents, with 2.5 cents being dedicated to deficit reduction and 2.5 cents being dedicated to the Highway Trust Fund. Of the amounts transferred to the Highway Trust Fund, 2 cents of the tax was deposited in the Highway Account of the Highway Trust Fund and 0.5 cents of the tax was deposited in the Mass Transit Account.

The 2.5 cents dedicated to deficit reduction under OBRA 1990 was scheduled to expire on September 30, 1995. Instead, the Omnibus Budget Reconciliation Act of 1993, (PL 103–66) stipulated that this 2.5 cents gasoline tax be deposited into the Highway Trust Fund, beginning on October 1, 1995, and divided in the same manner as the 2.5 cents placed in the Trust Fund in 1990.

OBRA 1993 simultaneously levied a new, permanent gas tax of 4.3 cents dedicated solely to deficit reduction.

The Taxpayer Relief Act of 1997 (PL 105–34) stipulated that the entire 4.3 cents gas tax would be deposited in the Highway Trust Fund beginning on October 1, 1997, with 3.45 cents of the tax being dedicated to the Highway Account of the Highway Trust Fund and 0.85 cents being dedicated to the Mass Transit Account.

Source: CRS Report for Congress: Federal Excise Taxes on Gasoline and the Highway Trust Fund, September 15, 1997.

Mr. BYRD. Mr. President, it was my intention to move at this time to waive all points of order pursuant to the budget act affecting the amendment that I had introduced on yesterday for printing on behalf of myself and Senators GRAMM, BAUCUS, and WARNER.

Mr. President, having the floor, I have a perfect right to move at this time to waive such points of order; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I am not required to wait until such time as that amendment is pending before the Senate, nor am I required under the rules to wait until such time as the so-called tree, consisting of several amendments, has been dismantled, nor do I have to wait until such time as such a point of order is actually made against the amendment; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair.

So I am perfectly within my rights at this point to move to waive such points of order. Such a motion would be debatable. And it would also be amendable, would it not, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Now, Mr. President, I had intended to ask unanimous consent that that motion not be amendable. But I thought I should let Mr. CHAFEE know that I intended to make such a request. He might want to object to it. I had a right to make the motion. He could not keep me from doing that. But I wanted to get consent that it not be amendable, and I thought he had the right to know about that. And I realize he could object to that, and he will. He has told me he will object to that.

Now, my purpose in wanting to get such consent is simply this: 60 votes are required for me to waive the points of order under the Budget Act. However, my motion would be amendable, it would be open to amendment, and such an amendment to my motion would require only a majority of votes, so that if all 100 Senators were present and voting, only 51 votes would be required to amend my motion, which, standing alone, would require 60 votes.

If the motion to amend my motion to waive were to carry, then a simple majority could add the authors' motion to amend my motion. That would put me at a disadvantage in that it is my understanding that Mr. DOMENICI might make a motion, the purpose of which would be—and I don't know that he is going to do this —he would repeal the gas tax, the 4.3-cent tax. That may or may not be based on rumor. I haven't heard Senator DOMENICI say that, but I anticipate that such a motion or some other motion might be made. If that were the case, if that were to be adopted by a majority vote, I would be put at a great disadvantage in trying to get 60 votes for my motion, so I do not intend to make that motion at this time.

But it may be that at some future time we can work out something whereby I could get a vote on a motion to waive points of order under the Budget Act against my amendment. That is a motion that is made quite frequently here. Sometimes it carries, sometimes it doesn't. So I intended to make that motion because I feel that the sponsors of our amendment have 60 or more votes in support of such motion and in support of such amendment.

Several Senators have indicated to me and have indicated to my three cosponsors that while they will not cosponsor the amendment, they will support it, so that we feel we would have more than 60 votes. But I am not at this time going to make the motion for the reasons I have stated.

HAPPY BIRTHDAY, SENATOR CHAFEE

Mr. BYRD. On another matter, I'm informed that on yesterday the distinguished, the very distinguished, Senator from Rhode Island reached his 75th birthday. Oh, to be 75 again! I experienced that happy occasion 5 years ago. Today is the 23rd of October. In 27 more days I will reach my 80th birthday. Hopefully the Senate will be out of session because I don't want anything said about it.

But I must congratulate this crusty New Englander, whom I admire hugely, on his having reached his 75th birthday. He is a great American. He is truly a fine Senator. As a man he is a real man. He is honest, and he is one who deals fairly with his colleagues right up on the board, straight across the board, nothing under the board, and he says what he thinks. If he agrees with one, he will agree; if he doesn't, he will say so, but he won't go out of this Chamber in any fit of distemper. It is a matter to be stated, and that is it.

So I admire JOHN CHAFEE. The people of his State are fortunate in having a man like JOHN CHAFEE here. I think we are all fortunate in having a Senator like JOHN CHAFEE. I greatly admire him.

Let me just recall a few lines to a little poem titled the ''Multiplication Table of Happiness.'' I hope I can repeat it, having focused my thoughts on the line-item veto, the highway bill, and on the various other matters today.

Count your garden by the flowers,
Never by the leaves that fall;
Count your days by the sunny hours,
Not remembering clouds at all.
Count your nights by stars, not shadows;
Count your life by smiles, not tears;
And on this beautiful October afternoon,
Count your age by friends, not years.

Now, after the distinguished Senator makes a response, if he feels that he has to—he doesn't—but if he wants to say anything—I saw him start to rise—

then I have a question back on the highway bill I wish to ask him.

Mr. CHAFEE. Mr. President, I want to say that when one receives complimentary remarks, the merit and the weight of those remarks depend a great deal who they come from. When I receive such generous comments as I have just received from the distinguished Senator from West Virginia, whom he knows I long have had not only great admiration for but great affection for, and we have been in harness here together on many issues on the same side—on some issues we have been on the other side.

To the Senator from West Virginia, I just want to say thank you very much for those very, very kind remarks. As he knows, one of the great pleasures I have had in this Chamber in serving in the U.S. Senate is the relationship I have had with ROBERT BYRD. I count myself very, very lucky. So I will treasure the kind comments he made.

I further will say I think I'll believe them all, and if my children have any doubts about their father, I will tell them, ''Here is what ROBERT BYRD said about him.'' I will make sure they all get copies of it.

I want to thank him very, very much.

Mr. BYRD. I can guarantee the Senator, I will never be in his State advocating that his people not vote for him, and if I'm up in his State, I will be glad to say what I have just said today about him.

INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1997

Mr. BYRD. Now, Mr. President, back on the highway bill, I understood the distinguished Senator from Rhode Island to indicate yesterday that Mr. DOMENICI's amendment, which he, Mr. CHAFEE, was going to cosponsor, was going to be entered at the desk. I have inquired there now, and I don't believe it has been entered up to this point.

Mr. CHAFEE. It was filed this morning before 10 a.m. was my clear understanding.

The PRESIDING OFFICER. There have been a number of amendments submitted, any one of which might meet that description.

Mr. CHAFEE. Mr. President, I'm informed it is amendment No. 1522.

The PRESIDING OFFICER. That amendment, the Chair understands, is being processed and was just recently submitted.

Mr. BYRD. So it is now being processed and will be available.

The PRESIDING OFFICER. It is at the desk.

Mr. BYRD. I want to have the opportunity to study it and perhaps be able to comment on it if need be.

Mr. CHAFEE. I think we will certainly get the Senator a copy of it, and we can do that this evening.

Mr. BYRD. I thank the distinguished Senator. I don't have anything else to say at this point.

I yield the floor.

Mr. CHAFEE. Now, Mr. President, I just want to say one other thing to the Senator from West Virginia. He said some kind things about me being up front and so forth. I want to thank him very much for being so candid with us. There are no tricks, there are no games here. We are each proceeding and doing everything we can, as was mentioned, to keep everything aboveboard so there are no unfair surprises. I thank the Senator very much for that. I greatly appreciate it.

CAMPAIGN FINANCE REFORM

Mr. FEINGOLD. Mr. President, on behalf of myself and the minority leader, the Senator from South Dakota, I would like to correct the statement made by the majority leader in the RECORD. The majority leader indicated that he and the Senator from South Dakota had an understanding with regard to how to bring back the campaign finance reform issue.

But the fact is that the agreement had not been reduced to writing, and that when it was reduced to writing, his understanding, that is, the understanding of the Senator from the State of South Dakota, my understanding, and the understanding of every member of our caucus was that the vehicle by which this would happen would be that we would bring back Senate bill 25, as modified.

The agreement did not include that language. And there simply was no additional or new request made by anyone on our behalf. So I would like to correct that statement as well. That did not happen. We are hopeful that an agreement can be reached. But I do have to say, for the record, that it simply was not a correct representation of what happened with regard to the negotiations today.

Thank you, Mr. President.

ORDERS FOR FRIDAY, OCTOBER 24, 1997

Mr. CHAFEE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:45 a.m. on Friday, October 24. I further ask that on Friday, immediately following the prayer, the routine requests through the morning hour be granted. I also ask that the cloture vote occur on the modified committee amendment to S. 1173, the ISTEA reauthorization bill, at the hour of 9:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. CHAFEE. Mr. President, tomorrow morning, the Senate will conduct a cloture vote on the committee amendment to the ISTEA legislation. If cloture is invoked, the Senate will proceed to the consideration of the ISTEA legislation. In addition, the Senate may turn to any available appropriations conference reports—possibly the Interior conference report. As earlier announced, the Senate is expected to vote on the nomination of Algenon Marbley to be U.S. District Judge on Monday, October 27 at 5 p.m. As a reminder to all Members, the next rollcall vote will occur at 9:45 a.m. tomorrow morning.

ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

The PRESIDING OFFICER. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:43 p.m., adjourned until Friday, October 24, 1997, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate October 23, 1997:

DEPARTMENT OF DEFENSE

PAUL J. HOEPER, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE GILBERT F. DECKER, RESIGNED.

DEPARTMENT OF ENERGY

LINDA KEY BREATHITT, OF KENTUCKY, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR A TERM EXPIRING JUNE 30, 2002, VICE DONALD FARLEY SANTA, JR, TERM EXPIRED.

CURT HERBERT, JR., OF MISSISSIPPI, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING JUNE 30, 1999, VICE ELIZABETH ANNE MOLER.

INTER-AMERICAN FOUNDATION

FRANK D. YTURRIA, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING JUNE 26, 2002. (REAPPOINTMENT)

CONFIRMATIONS

Executive nominations confirmed by the Senate October 23, 1997:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

KEVIN L. THURM, OF NEW YORK, TO BE DEPUTY SECRETARY OF HEALTH AND HUMAN SERVICES.

DEPARTMENT OF STATE

PETER L. SCHER, OF THE DISTRICT OF COLUMBIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL TRADE NEGOTIATOR.

EDWARD E. SHUMAKER III, OF NEW HAMPSHIRE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF TRINIDAD AND TOBAGO.

DEPARTMENT OF THE TREASURY

ELLEN SEIDMAN, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION FOR A TERM OF FIVE YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

TRIBUTE TO WYLIE AND BETTE AITKEN

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Ms. SANCHEZ. Mr. Speaker, I rise today to pay tribute to a couple who have actively supported our community, Mr. and Mrs. Wylie Aitken. Wylie and Bette are being honored with the Champions For Children's award by the Hillview Acres Children's Home for their strong commitment to children. Wylie and Bette are active participants in many political, legal, and community organizations, many involving children. They include Hillview Acres Children's Home; Rosary High School Board; California State University at Fullerton Special Games; Santa Ana College Bear Essentials and several Children's Hospital of Orange County guilds. Wylie founded the law offices of Wylie A. Aitken in Santa Ana and is the chair of the Democratic Foundation of Orange County. As a nationally recognized trial lawyer, he is called upon frequently as a guest on television and radio talk shows, and is a featured seminar speaker and consultant to other lawyers.

Mr. and Mrs. Aitken were college sweethearts and have been married for 35 years. They have three children, Darren and Christopher, both attorneys and Ashleigh who works in Minority Leader RICHARD GEPHARDT's office. They both grew up in the 46th Congressional District of California and have consistently devoted themselves to their community. They are both long time members of St. Antonio's Roman Catholic Church in Anaheim and donate a great deal of their time to the church and related agencies.

Besides working to help children, Wylie and Bette have been supportive of many other charities. They worked hard to elect women to public office and have spent time and energy combating teenage pregnancy.

I am honored to call them friends and recognize their contributions to the community.

HONORING RIVERDALE TEMPLE

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. ENGEL. Mr. Speaker, the Riverdale Temple, the largest reform Jewish house of worship in the Bronx, is celebrating its 50th anniversary. It was founded in 1947 when a small group met to talk about a new liberal Jewish congregation. Later that year a charter was signed and 67 families founded the temple.

The Honorable Francis J. Bloustein was named first president and a dynamic rabbi, Charles E. Shulman, came from Chicago to become the first of a distinguished line of rabbis for the congregants.

The temple had its meetings in the Arrowhead Inn until it was torn down in 1952, and, until its own building was completed in 1954, at various churches in the neighborhood. The temple acquired a Torah which had been damaged during the Kristallnacht terror in Germany and today holds an honored place in the Holy Ark. Then Vice President Gerald Ford, in 1973, donated a Torah mantle to the sanctuary.

The Riverdale Temple now has more than 550 member families. It is affiliated with the Union of American Hebrew Congregations and is a patron of the Hebrew Union College-Jewish Institute of Religion.

The Riverdale Temple, in the words of Rabbi Shulman, strived to be ''a great Jewish community in Riverdale, great not only in numbers, but also in knowledge and spirit and faith.'' The temple and its congregation has succeeded admirably. It has grown and it has affirmed the high principles of Jewish ethics. I congratulate Riverdale Temple on its 50th anniversary and wish it many more years as a central part of our community.

TRIBUTE TO WALTER S. McAFEE

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to acknowledge a building dedication that honored an American that helped pioneer the Space Age. This new $14 million building is named in honor of Dr. Walter Samuel McAfee and houses CECOM Information and Intelligence Electronic Warfare Directorate.

The late Dr. Walter S. McAfee was one of a team of scientists that were the first to bounce radio signals off the moon's surface. On January 10, 1946, using the Diana Tower in Fort Monmouth, NJ, a high frequency energy beam traveling at the speed of light reached the moon and bounced back in 2.5 seconds. Mr. McAfee's mathematical calculations on this project helped usher in the dawn of space exploration.

Dr. McAfee, the second of nine children, attended Wiley College in Marshall, TX, before achieving his master's degree in physics from Ohio State and a doctorate degree in nuclear physics from Cornell University. As an African-American, Dr. McAfee admitted that he did encounter prejudice in his field however he, in his own words, 'tried to deal with each person as an individual.''

Mr. Speaker, Dr. McAfee's accomplishments are a testimony to our Nation's unrelenting thirst for knowledge and his spirit lives on in our national space programs. Our country would not be where it is today if it were not for the creative minds and work ethic like that of Dr. McAfee.

TRIBUTE TO THE GLENDALE UNIT 104 AMERICAN LEGION AUXILIARY CRIME PREVENTION PROGRAM

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. MANTON. Mr. Speaker, I rise today to recognize the American Legion Auxiliary of Glendale, Queens, NY, for its continued sponsorship of anticrime and drug prevention seminars on behalf of children and adults in the city of New York.

Mr. Speaker, I recently had the fortune of witnessing, firsthand, the auxiliary's commitment in this regard when I joined New York State Senator Serphin Maltese and New York City Councilman Thomas Ognibene, as well as several concerned citizens and civic leaders of New York's Seventh Congressional District, for a highly informative seminar conducted by Ms. Joanne DeLisi, president of Glendale Unit No. 104 of the American Legion Auxiliary.

The forum commenced with a presentation by Police Officer Marlene Higgs, the Crime Prevention Officer for the New York City Police Department's 104th Precinct, who briefed participants on several facets of crime prevention. Officer Higgs specifically addressed the rising trend of scams which target the elderly of our community. Participants were urged to contact their local police precincts and avail themselves of anticrime initiatives such as vehicle identification No. [VIN] etching and home security surveys.

Ms. DeLisi, in turn, led an intensive and instructive workshop that enhanced the community's awareness of and resolve to fight substance abuse. The central tenets of Ms. DeLisi's segment were: First, recognition of the signs of drug abuse; second, identification of the illegal substances; third, the swift delivery of assistance to the substance abuser through private and/or government agencies or help lines; and fourth, treatment of substance abuser before drug-related crimes are committed.

The seminar succeeded not only in reinforcing traditional crime/drug-prevention techniques, but also in familiarizing participants with a host of ''gateway'' drugs that are extracted from common household products. The misuse of these products, either through inhalation or ingestion, has become alarmingly popular in our Nation, particularly among our youngsters.

I salute the Glendale American Legion Auxiliary and the community of Glendale as a whole for continuing to educate their friends and neighbors on the symbiotic relationship between crime and substance abuse. Furthermore, their unswerving attention to this critical issue is a great testimony to the fact that individuals can and do indeed make a difference in the ever-challenging fight against crime and the war on drugs.

Mr. Speaker, I know my colleagues join me in congratulating the Glendale American Legion Auxiliary for continuing to run exemplary programs that enrich the quality of life for all New Yorkers.

RECOGNIZING THE DEDICATION OF THE WOMEN IN MILITARY SERVICE MEMORIAL AND THE BRAVERY OF AMERICA'S WOMEN VETERANS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. LANTOS. Mr. Speaker, it is my pleasure both as a Member of Congress and a proud American citizen to recognize the outstanding and courageous contributions of our women veterans. Since the birth of our Republic, through the darkest days of our most painful wars, brave women have selflessly displayed their patriotism by risking their lives in the name of our national security. In honor of these pioneers and the almost 2 million American servicewomen who came before them, the Women in Military Service Memorial at the Arlington National Cemetery was dedicated on Saturday, October 18, 1997.

Mr. Speaker, I am honored to pay tribute to retired Air Force Brig. Gen. Wilma Vaught, who directed this historic project for over a decade, to my former colleague, Congresswoman Mary Rose Oakar, whose 1985 bill to create this memorial I was proud to cosponsor, and to all the women and men who worked tirelessly to recognize the innumerable achievements of these brave Americans.

During the early days of our country, in an era when few doors opened even for the ablest and most talented American women, they served as nurses and cooks and in any capacity where the causes of desperate men were so threatened as to override the gender barriers of the day. During the next two centuries, as women were slowly granted their due rights as American citizens, their roles in our Armed Forces have expanded as well. In the last 5 years, under the leadership of President Clinton and Vice President GORE, women have come still closer to the goal of equality in military opportunity. This administration has presided over the first woman to head one of our service branches, Secretary of the Air Force Sheila Widnall; the first women to serve at 3-star rank; the first woman to command a flying wing; the first woman to command a naval base; and the first women to serve aboard an aircraft carrier. In the words of Vice President GORE: ''Today, women are a vital element of virtually every aspect of our mission . . . around the world 24 hours a day; at sea, on the ground, in the air, and even in space.'' Mr. Speaker, it is high time that we paid these courageous women the respect and honor that they deserve.

The Women in Military Service Memorial fulfills this overdue purpose. This monument, which includes a reflecting pool, an exhibit hall, a theater, and a computerized registry of servicewomen, now serves as a magnificent tribute to our female veterans who, in many instances, fought multiple enemies: the paramount foe in war, and the less conspicuous but omnipresent nemesis of gender discrimination. As President Clinton stated in a videotaped message at Saturday's ceremony: ''The . . . memorial is a living reminder that we are all involved, men and women, when it comes to protecting America's security . . . This knowledge was sometimes slow in coming. For much of our history many Americans felt that a woman's place should be closer to the homefront than the frontlines. Still our women volunteered, struggling for freedom all around the world.''

Captain Catherine Kocourek Genovese, a retired Marine Corps officer who now lives in my home of San Mateo County, CA, is typical of the competent and dedicated women who are honored at this new memorial. She joined the military at the height of the Vietnam war. After enduring the demanding physical training required of all Marines, both male and female, she faced challenges which tested her mental fortitude as well as her perseverance in the face of gender discrimination. The Washington Post reported on Captain Genovese's experiences in its October 18, 1997 edition:

> As a young commanding officer at a base in Twentynine Palms, Calif., Genovese said, she quickly came up against a group of male recruits who refused to salute her. After a quick lesson in Marine etiquette, she said, it never happened again.
>
> ''These guys were tough,'' Genovese said. ''It wasn't easy to confront a group like that. But after that, even if they were half a block away, they'd salute and say, 'Good morning, ma'am.'''

Captain Genovese refused to allow sexism to interfere with her desire and ability to serve her country. At 22, she became the first female Marine to pass a pistol marksmanship test and earn the second-highest ranking as a sharpshooter. She later became the first women assigned to a weapons training battalion. Mr. Speaker, we all owe Captain Genovese and all of her fellow trailblazers an immense debt of gratitude.

As President Clinton declared at the groundbreaking ceremony of the Women in Military Service Memorial in 1995, ''For far too long women were treated as second class soldiers. They could give their lives for liberty, but they couldn't give orders to men. They could heal the wounded and hold the dying, but they could not dream of holding the highest ranks.'' This new monument serves as a constant remainder to all that women have given to their country and to all they have achieved in surmounting the barriers to their full service in the armed forces.

ENCORE, DR. JULIA A. MILLER

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. PAYNE. Mr. Speaker, this evening in my district there will be a special event for Julia A. Miller, Ed.D. Dr. Miller will be celebrating her second retirement. You guessed it, Dr. Miller is an exceptional individual. Most of us only celebrate and are recognized for one outstanding career, here we have a woman who has made her mark twice. Dr. Miller is professor emeritus of Seton Hall University where she was director of the Center for African American Studies for 20 years. In 1990 she took an early retirement whereupon she became the State director of New Jersey Cities in Schools, a national dropout program.

Dr. Miller always has been considered a compassionate visionary. She is a woman of substance who recognizes the good of any given situation. She has taken her steadfastness and expertise to expand the Cities in Schools concept into the Communities in Schools concept. She has worked to take her idea of reaching out and nurturing to a level that will provide better and more meaningful services to our young people. We often hear the adage, ''It takes a whole village to raise a child'', well Dr. Miller and her late husband, the renowned artist Don Miller, have used their lives to espouse that saying. While they had the opportunity and means to move away from the village they did not. Their commitment to our communities and our people will never be forgotten.

Communities in Schools is a very successful program which champions the connection of needed community resources with schools to help young people successfully learn, stay in school, and prepare for life. Under Dr. Miller's direction the program has grown to provide services to over 2,000 students in four New Jersey cities: Elizabeth, Newark, Passaic, and Plainfield.

Mr. Speaker, I am sure my colleagues will want to join me as I extend congratulations and best wishes to Dr. Julia A. Miller on her retirement from her second successful career. Encore.

HONORING THE PASADENA CITIZEN

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. BENTSEN. Mr. Speaker, I rise to congratulate the Pasadena Citizen newspaper which this week celebrates 50 years of journalistic excellence and service to the community. The Pasadena Citizen's dedication to covering vital but often overlooked local news has made a significant contribution to our community.

Begun as a weekly dedicated to local news by Houston journalists John Murphy, Tom Maes, and Howard Greenwood, and backed by famed oil wildcatter Glenn H. McCarthy, the first issue of the Pasadena Citizen was published December 4, 1947. The Citizen was an immediate success and quickly grew into one of the strongest papers in the region. By the early 1950's it had become a twice-a-week publication.

Times were not always good for the Pasadena Citizen. In 1955, following several tumultuous ownership changes, the Citizen faced its most difficult challenge and temporarily shut down. Citizen employees stepped in to fill the void and soon had the paper on track and running again. Since that time, the paper has continued to prosper, adding new editions to provide service to the neighborhoods growing alongside Pasadena and, beginning in 1977, offering news service 7 days a week to its readers.

Much has changed since the first edition of the Citizen rolled off the presses. In 1947, Pasadena was a small town of 17,000 tied to the growing east Texas oil industry. Today,

Pasadena is a diverse, vibrant city, with a population of 125,000. As the city has grown the Citizen has grown along with it. Through it all—the boom times and the busts—the Pasadena Citizen has served as the newspaper of record for the city's triumph and setbacks.

Over the past 50 years, the Pasadena Citizen has faced all of the challenges confronting the newspapers of today—changing ownership and readership, the challenge of television, and new technologies—yet it has flourished because of its continued commitment to covering the local stories. The Citizen has become a model for other community papers to follow and, as it has for half a century, will continue to evolve to meet the economic and journalistic challenges of the 1990's and beyond.

Mr. Speaker, I congratulate the Pasadena Citizen for 50 years of achievement in our community. The people who have made the Citizen what it is deserve our praise and our thanks.

SMYTHE ELEMENTARY SCHOOL: 25 YEARS OF SERVICE TO OUR CHILDREN AND OUR COMMUNITY

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. FILNER. Mr. Speaker, I rise today in honor of the 25th anniversary of Smythe Elementary School. For 25 years, Smythe Elementary School has been a vibrant center for the San Ysidro community. The faculty and staff at Smythe Elementary have made a commitment that encompasses far more than the school day, and the school provides programs that address a multitude of needs of the students, parents, and the larger community.

After-school programs sponsored by the U.S. Border Patrol and the YMCA provide children with a safe and healthy atmosphere in which they can do homework, improve their reading skills, and engage in fun activities. Now that more and more homes are headed by a single parent, or by two working parents, activities that keep our children safe and active after school are absolutely essential.

During school hours, education is supplemented with programs like Read Aloud, which focuses on developing reading skills and a love for books; Drop Out Prevention, which starts early to keep kids from ending their education early; and Gifted and Talented Education [GATE], which harnesses the energy and dedication of young scholars.

Health and safety programs like D.A.R.E. teach kids important lessons about staying away from drugs and crime. The teachers at Smythe understand the dangers that our children are exposed to, and they are working to prevent our kids from trouble before trouble starts.

Smythe Elementary is located in an ethnically and socially diverse community, and the school strives to answer to the complex needs of this area by providing citizenship classes, English classes, parenting classes, and a whole host of programs aimed at increasing community awareness.

Many of the programs I have mentioned today are possible because of funding provided by the Federal Government and, unfortunately, many of these programs are constantly threatened with extinction. I urge my fellow members to revisit the schools in their home districts and reacquaint yourselves with the programs they provide. Like Smythe Elementary, many of our schools have become very important community centers, and our continued support is not only necessary for the safety and quality education of our children. It is necessary for the maintenance of our communities and our way of life.

Mr. Speaker, I ask my colleagues to join with me in celebrating and honoring Smythe Elementary for its continued contributions to the community of San Ysidro.

CELEBRATION OF THE 80TH ANNIVERSARY OF THE SPRINGFIELD BUSINESS AND PROFESSIONAL WOMEN'S CLUB

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. NEAL of Massachusetts. Mr. Speaker, it is my honor to pay tribute today to the Springfield Business and Professional Women's Club as it celebrates its 80th anniversary and rich history of promoting the economic, intellectual, and social welfare of working women. I would like to take this opportunity both to congratulate the members of the club whose hard work and commitment has allowed this group to flourish, and to share some of the history of this club for others to enjoy.

In 1917, 16 women from Springfield gathered at the local YWCA to organize and establish the club. As the original objective they created stated, ''the club would blend together women in the professions and businesswomen so that the standard of working women could be raised.''

Only 2 years later, delegates from Springfield traveled to St. Louis to join several hundred other women in the founding of the National Federation of Business and Professional Women's Clubs. Several Springfield women were officers in this first decade. Women from Springfield also traveled to Europe, this time to help establish the International Federation of Business and Professional Women's Clubs in 1930. The first treasurer of the international federation was Henrietta Harris of Springfield.

Back in Springfield, the organization supplied several of the presidents of the New England Federation of Business and Professional Women's Clubs and later the Massachusetts Federation of Business and Professional Women's Clubs including Barbara Brown in the 1960's and Caroldine O'Hare in the 1990's. But the club did so very much more than provide leadership at the district, State, national, and international levels.

In 1936, Amelia Earhardt came to speak to the club about her life as an aviator. Also, the club sponsored the Springfield Forums, bringing speakers on current topics to the public. In the seventies, they marched and rallied for the equal rights amendment on Beacon Hill just as earlier members marched and rallied to earn the right of women to vote. In the 1980's and early 1990's, the club, as part of the Massachusetts Federation, supported on Beacon Hill the Family and Medical Leave Act as well as bills to prevent and address domestic violence.

On the local front, the club has been involved through their Harris-Bullman Fund, partly named for Henrietta Harris, first treasurer of the International Federation, with local charities and organizations. In the several past years, they gave to the Open Pantry, Camp Star-Camp Angelina, Grey House, and the Forest Park Zoological Society. Other past recipients have included the Children's Study Home and Rachel's Table. Also through their Jessie M. Bourne-Winifred Daly Scholarship Fund, the club gives scholarships to the nontraditional women student. These recipients are over the age of 21 and have either returned to college or are beginning college as a need to further their career or begin a new one.

But not all of the activities have involved funds. For the past several years, the club has gathered good used working clothing and donated these clothes to the Corporation for Public Management which helps women on welfare or who were in prison get their first employment. The club helps by supplying the clothing and accessories. The club has also been part of the Women's Vote Project providing both funds and volunteer hours. They have helped with Channel 57 and Brightside Angels as well as other organizations.

Not all of the clubs' efforts are serious. They also believe there should be fun and laughter. They have sponsored a Women's Night of Comedy for the last 4 years which has provided area women with a wonderful night. A fashion show helps to provide funds for the national federation's foundation and the local scholarship fund. This year, the club has donated $1,000 to the Hope Diamond Project and has sponsored a challenge which has led the club to contribute another $1,000.

For several years, the club has had a candidate's night which has won them State recognition. Each year as the State federation gathers, one can expect that Springfield will receive several awards. The members are proud of their efforts in many areas. They look forward to each new club year as a challenge for the future and a chance to reflect on the past. They have resolved not to live on past triumphs but to keep achieving far into the next century. While they are proud that their predecessors help to establish both the national federation and international federation, the current members are looking forward to the day when equality for women will not be a dream but a reality and women will be paid the same as men. But they know that even then, they or their successors will continue to strive for the betterment of all working women.

RECOGNIZING CONTRIBUTIONS OF STELLA GABUZDA AND ROBERT ROCHE

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. WELDON of Pennsylvania. Mr. Speaker, it is my distinct honor to congratulate both Stella Gabuzda and Robert Roche on their receipt of the Founders' Bank 1997 Quality of Life Award. These two distinguished honorees will receive their award on Thursday, October 23 at a special ceremony held on their behalf.

The Founders' Bank Quality of Life Award recipient is chosen by a council of former recipients and is presented by Founders' Bank

to members of the southeastern Pennsylvania community who have made a major contribution to the quality of life of the people of their community. Since October of 1988 the Founders' Bank Quality of Life Award has been awarded to one individual each year. This year however, two people have been selected.

Stella Gabuzda began her distinguished career in 1965 when she became a member of the Bala Cynwyd Board of Trustees and subsequently the Lower Merion Library Association Board. In 1976 she joined the township's library staff where she took charge of the fledgling film service at Ludington Library. She moved on to the Penn Wynne Library in 1980 as its head librarian. For 5 years, the Penn Wynne neighborhood reveled in her warm, personal approach, a hallmark of Stella's style. In 1989 she became Ludington's head librarian and met the challenges of running the township's biggest library with her customary zest. Stella's talent to combine professionalism with personal caring led to remarkable growth of special endowments and gifts to the library. Known for her wide-ranging knowledge, enthusiasm, energy, leadership and vision, her 20 years at Penn Wynne and Ludington Library spanned the pre-computer era to today's constantly changing and challenging world of computerized information technology. But she never lost sight of what mattered most to her; giving the residents the best possible library service to fulfill their reading, listening, and informational needs.

Robert Roche began his career of service in 1950 when he joined a Philadelphia fundraising consulting firm where he served such clients as the Children's Hospital of Philadelphia, Saint Christopher's Hospital For Children, and the Hospital of the University of Pennsylvania. In 1958 he became the director of capital campaigns and later director of development of the University of Pennsylvania. There, he ran a $93 million campaign and participated in the building of a truly professional development office. In 1968, he founded Barnes & Roche, Inc., a fundraising consulting firm, and since then has personally served some 250 clients. He is currently founding chairman of the firm. He has served the community in many ways. He was an active volunteer firefighter for 25 years and has served several terms as a member of the Merion Fire Company Board of Managers. He currently serves on the Quadrangle Board of Directors, the board of the Lower Merion Conservancy and the Campaign Committee of the Volunteer Medical Service Corps of Lower Merion and Narberth.

Each year the recipient of the Quality of Life Award chooses a charity of his or her choice to receive the donations made by the invited guests. Stella has chosen to support the Bala Cynwyd Library, Ludington Library, Penn Wynne Library, and the Lower Merion Historical Society. Bob has selected the Merion Fire Company, the Lower Merion Conservancy, and the Volunteer Medical Service Corps of Lower Merion and Narberth.

Mr. Speaker, I ask you and my other distinguished colleagues to join me in commending Stella Gabuzda and Robert Roche on their receipt of the 1997 Quality of Life Award. Their numerous endeavors in the field of public service have left an indelible mark on the communities they represent. In addition, I would also like to thank Founders' Bank and especially president Robert F. Whalen for initiating the award and, as a result, bringing to the forefront the courageous actions of these and many other fine individuals. Thanks to Founders' Bank and Robert Whalen, both Stella Gabuzda's and Robert Roche's contributions to the community will not go unrecognized.

HONORING THE SOUTH BRONX OVERALL ECONOMIC DEVELOPMENT CORP.

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. ENGEL. Mr. Speaker, the South Bronx Overall Economic Development Corp. [SOBRO] is celebrating its 25th anniversary with a record of accomplishments that is inspiring. In the time it has been working to make the South Bronx a paradigm of development, it has stimulated more than $120 million in investments, created or retained 30,000 local jobs, trained or placed more than 20,000 low-income residents into jobs, completed more than $20 million in reconstruction projects to upgrade local commercial districts, and created a community development revolving loan fund with $600,000 to assist small businesses and entrepreneurs to gain access to credit.

SOBRO is one of the principal reasons that the Bronx, so famous as a model of urban decay that it became a regular presidential campaign stop, was named this year as an all-American city. SOBRO also helped the South Bronx to grow as a regional business hub.

SOBRO was founded in 1972 by five prominent New York City banks and has received the help of city, State, and Federal governments, as well as philanthropic support. SOBRO has worked to create jobs which benefit residents of the South Bronx.

SOBRO has played a large part in the transformation of this area from one famous for being shown on television during the World Series as burning to a model of redevelopment. I congratulate SOBRO on its 25th anniversary for the great work it has done and I know will continue to do.

TRIBUTE TO NEW JERSEY STATE SENATOR JOSEPH A. PALAIA

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to pay tribute to the countless efforts that Senator Joseph A. Palaia has made toward children with disabilities. Mr. Palaia, a State senator from the Eleventh legislative district of New Jersey, has served in the State Senate since 1989. Prior to that he served as a New Jersey State assemblyman for 7 years. On October 25, 1997, the Search Day Program in Ocean Township, a non-profit private school for children with autism, will honor Senator Palaia with a dinner-dance, a well deserved recognition.

Senator Palaia, a graduate of Rider College in 1949, with post-graduate work at both Seton Hall and Rutgers, has been a longtime voice for children with disabilities. Moreover, he has sponsored legislature to protect and fund school-based programs and services for students with disabilities. In fact, in 1987, Senator Palaia was honored by the New Jersey Association of Schools, and Agencies for the Handicapped as Legislator of the Year.

Mr. Speaker, Senator Palaia serves as an example to us all on how we as responsible legislators, can show compassion towards our disabled youth. Senator Palaia's lifelong dedication deserves our wholehearted thanks and I commend him on his years of loyal service to our State and to those who are sometimes forgotten.

TRIBUTE TO BOBBIE BAIRD

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. WELLER. Mr. Speaker, I rise today to recognize and honor the sacrifices and hard work which Mr. Bobbie Baird has so passionately executed for her community of New Lenox, IL. Bobbie Baird was recently named the New Lenox Citizen of the Year for 1997.

While many often wait passively for projects to be completed by others, Bobbie has led by example, consistently dedicated to improving the quality of life in the community where she has lived for 32 years. Bobbie retired in 1996 as executive director of the New Lenox Chamber of Commerce where she has made a career of involvement. For the chamber, Bobbie has helped engineer activities for past Citizen of the Year celebrations, Fourth of July fireworks events, the chamber's Business Expo, a Proud American Days community fair, and the Sunshine Committee which helps to put smiles on the faces of local seniors.

Understanding the importance of community involvement, Bobbie has served as an administrative board member, Sunday School teacher, member of the Old Campground Festival Committee, and as publicity chair for all events at the New Lenox Methodist Church. In addition, Bobbie has offered her time and energy to assist the American Cancer Society while still reserving time to volunteer for the Lincoln-Way High School band boosters. The local Cub Scout and Boy Scout troops have also benefited from her desire to help people of all ages in her community succeed.

Bobbie's family can certainly be proud of the fine example she has shown in her home. Bobbie, and husband Charles, have three children, David, Bill, and John, who have all benefited by the model Bobbie has set as an outstanding parent and community servant.

I salute Bobbie for her dedication and consistent commitment to her community and humanity. I wish Bobbie and her family continued success and happiness in all their future endeavors.

TRIBUTE TO FRED ROSEN

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. SHERMAN. Mr. Speaker, I rise today to pay special tribute to Fred Rosen for his dedication and upon receipt of the 1997 Social Concern Award presented by the American Jewish Committee. This award is bestowed in recognition for contributions to improve the human condition through concern for the welfare of the community, for commitment to help those in need throughout the United States, and to promote human rights.

Fred Rosen's dedication to protecting our citizens is nothing new to the Los Angeles community. Fred has distinguished himself as an entrepreneur with extraordinary devotion to ensure excellent consumer service. With these goals in mind, Fred Rosen became the president and CEO of Ticketmaster; the director of the world's leading computerized ticket service.

Heading the world's largest ticket service was not enough for Fred. He wanted to turn Ticketmaster Corp. into the world's best ticket service company. With a combination of business savvy, innovative marketing techniques, an intense dedication to superior service, and an eye toward technological innovation, Fred transformed Ticketmaster from a struggling company into an internationally respected establishment.

Throughout Fred's tenure with Ticketmaster, he worked quietly and diligently here in Los Angeles. Fred's greatest contribution to our community has been through his work with the City of Hope in conjunction with the National Medical Center. He is a major contributor and active fundraiser for the City of Hope and sits on the executive committee of the music chapter and on the City of Hope National Board of Directors. Fred has been awarded its prestigious Spirit of Life Award for his dedication to fulfilling the City of Hope's mission to treat the body and invigorate the soul. He is also a board member of the California Institute of the Arts, Aids Project Los Angeles, Simon Wiesenthal Center, Rock the Vote, Very Special Arts, and is a trustee of Crossroads School.

Today, we honor Fred for his work with the American Jewish Committee and long history of community and charitable involvement throughout the United States. Mr. Speaker, I ask you and my distinguished colleagues to join me in honoring Fred Rosen for his work and upon receipt of this prestigious award. This recognition is long overdue.

CONGRATULATIONS TO GARY THOMAS FORSYTH COUNTY CLERK OF COURT

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. COBLE. Mr. Speaker, on behalf of the citizens of the Sixth District of North Carolina, we would like to congratulate an outstanding public servant for going above and beyond the call of duty. Gary Thomas, Forsyth County Clerk of Court, has earned this recognition for his work in performing his duties so admirably. Mr. Thomas should be congratulated for his extraordinary work.

Mr. Thomas, using his skills from his days as a detective, tracked down a constituent of mine, Mr. Elmer Holt, to give to him a bequest in the amount of $18,530.67, which had been left to Mr. Holt by the late C.H. Davis. If Mr. Thomas had not found Mr. Holt, the inheritance would have been turned over to the State because of the 2-year deadline. Knowing this, Mr. Thomas began an exhaustive search that would conclude with a Randolph County family receiving an unexpected check for a large sum of money.

The search for Elmer Holt led Mr. Thomas to three Elmers in North Carolina. Thomas was looking for the Elmer who previously had a friendship with a Mr. C.H. Davis. Mr. Thomas' conservation with a Ms. Debbie Hold Smith proved to be the key to the puzzle of which Elmer should receive the bequest.

Debbie Holt Smith turned out to be the daughter of the Elmer Holt for whom Mr. Thomas was searching. Thomas declined to tell Ms. Smith why he needed to talk with Elmer Holt. She agreed, however, to discuss the issue with her father. A confused Ms. Smith spoke with her father and discussed with him whether he ever knew a C.H. Davis. Elmer Holt recalled that he had befriended a Mr. Davis when he was younger and had done business with him. He remembered the late Mr. Davis as a generous man had always promised to leave him something in his will when he died.

A letter to Elmer Holt from C.H. Davis was all the evidence that Mr. Thomas needed to realize that the Elmer Holt he had found was indeed the correct Elmer Holt. With the letter in hand, Debbie Holt Smith and her father went to Mr. Thomas' office in Winston-Salem to receive the unexpected surprise. Mr. Thomas gave them a check for more than $18,000. A check they never would have seen if it had not been for his hard work.

Gary Thomas deserves recognition for his outstanding work in Forsyth County on behalf of our constituent. It is not very often that a public servant goes so far beyond the call of duty to find a missing beneficiary who is about to lose his bequest. We are extremely proud of him.

THE 136TH ANNIVERSARY OF THE BATTLE OF LEXINGTON, MO

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. SKELTON Mr. Speaker, one of the earliest battles in the War Between the States was in my hometown of Lexington, MO. On September 21 of this year, which was the 136th anniversary of the Battle of Lexington, reenactors from different parts of our country replayed the Confederate victory over the Federal forces. On that occasion, I delivered a speech commemorating the anniversary of this momentous event. I share my remarks with the Members of the House.

SPEECH OF CONGRESSMAN IKE SKELTON 12:45 P.M. SUNDAY, SEPTEMBER 21, 1997—LEXINGTON BATTLEFIELD, LEXINGTON, MISSOURI

Here we are, one-hundred and thirty-six years after a famous battle took place on these grounds—at the Lexington Battlefield.

For someone born and raised in Lexington, as I was, the battlefield has always been here. As boys, my buddies and I would run along the trenches. As Cub Scouts, we played football on this very spot. And when our sons were growing up in Lexington, they would fly kites on this site.

Yes, to a Lexingtonian, the battlefield is a scenic, peaceful, beautiful historic place. But in another day and time, this was the scene of bravery, courage, death, and determination—a struggle between the military might of the blue and the gray. Both sides in this conflict believed they were fighting for freedom. In defense of that belief, they were willing to endure great hardship, sacrifice, and even death. It is thus fitting that we should pause on the anniversary of this struggle and pay tribute to those who walked these hills so long ago.

This battle, one of the earliest in the tragic War Between the States, was a reflection of the deep emotions of the day—the Southerners fighting for the rights of their states, and the Federals fighting to keep the Union indivisible. So, let's in our mind's eye look back to September 18, 19, and 20 in the year 1861. Lexington was a good-sized community, a river port, containing numerous industries and being the outfitting post for the westward movement. Lexington was a waystation in the manifest destiny of our country.

Major Confederate General Sterling Price, leader of the Missouri State Guard, in the glow of victory at Wilson's Creek near Springfield, brought his troops toward Lexington, which was heavily garrisoned by Union forces, including a brigade of Irishmen, a regiment of Illinois cavalry, together with several regiments of the Union sympathizing Missouri State Militia. Three days of constant perseverance on behalf of the Confederate besiegers, and an honorable endurance on the part of the besieged, culminated in the unconditional surrender of the Federal forces.

For two days, the Battle of Lexington was a battle of sharpshooters. Wherever a head appeared, skirmishers shot at it. From behind every available obstruction, a merciless fusillade poured upon the Union garrison. Earlier there was also brilliant fighting in the capture and recapture of Colonel Oliver Anderson's dwelling-house, the large brick structure which we see only yards from where we stand today.

The climax of the battle was on the third day, when the Confederate troops rolled wet hemp bales, obtained from the hemp factories near the river, up the hill toward the Union entrenchments—the very same trenches that we see here today. The originator of the hemp bale idea has long been in dispute. As a matter of fact, a local man, Colonel Thomas Hinkle of Wellington, claimed it as his own. In any event, whoever originated it certainly had a clear mathematical head. Behind those impenetrable moving walls, the Union garrison saw itself surrounded by slowly moving barriers. Unable to stop the Confederate assailants, the Union commander, Colonel Mulligan, surrendered.

This battle brought to the fore the names of three Confederate leaders who fought until the very end of the war, gaining renown as leaders of men who wore the gray. Joe Shelby, who was from nearby Waverly, distinguished himself as the Commander of the famed ''Shelby's Iron Brigade.'' Lexington's Hiram M. Bledsoe continued to the bitter

end of that terrible war gaining fame as an artilleryman. Sterling Price, a former Missouri Governor, led Confederate troops to the very end of the struggle, through numerous battles west of the Mississippi River.

More history of this celebrated battle has been discovered over time. In 1932, the remains of five Union soldiers were uncovered during excavation of the old Masonic College grounds nearby. Those five Federal soldiers were reburied on November 11 of that year in a solemn ceremony in that small plot to my right. The main speaker of the day was another Ike Skelton—my father. On that occasion, my father said, ''These men gave their very all for the principles of government that they held dear in their hearts.''

So it is with us today witnessing the reenactment of this famous struggle to recall the gallantry of those who fought and those who died for their causes. It is not for us to judge today the rightness or the wrongness of what compelled them to bear arms and participate in this North-South conflict. But it is for us today to reflect upon and draw inspiration from their devotion to duty, their determined efforts, and their military skill. So let us today honor the memory of those who bore the brunt of battle in those clear September days of 1861. Especially those who died here. Today, one-hundred and thirty-six years after the event, we will watch the reenactors following the roles played out here in flesh and blood by men of both the South and the North. We will witness the ingenuity of an American Southern leader whose troops used hemp bales as bulwarks for the advancing charge.

Within a few minutes, we will witness another example—a modern one—of American military ingenuity: the B–2 Stealth Bomber. This futuristic weapons system, which helps guard our country's interests and freedom, is a continuation of those inspired ideas that have been indispensable to Americans engaged in mortal conflict.

The human mind, using whatever technology is available, can change the military equation. And convert an inferior position into a superior position. In this sense, we can say that there is much in common between the way the Confederate soldiers used bales of hemp in 1861 and the way the U.S. Air Force can use the Stealth Bomber today. Past and present fuse together here.

During the Battle of Lexington, Union forces held the superior strategic position on the hill top, but they were defeated by the innovative use of hemp bales which reduced the capability of the Union weapons to find their Confederate enemies. Likewise, the configuration of another weapon of defense stationed in Missouri, the B–2 Stealth Bomber, allows it to reduce the capability of potential enemy weapons to find it.

Two forms of American military ingenuity produced superior results. Both changed the military equation of superiority and inferiority in their respective situations. Both are the product of creative, agile, and strategic American minds.

As we remember this past battle, and recall the strategy of victory applied here, we should remember that only 45 miles from here, the B–2 Stealth Bomber waits for its mission for America. Fast. Lethal. Very difficult to find. But one will find us here today—an exclamation point to our memorial.

Here, past is prologue. The technology may change, but American ingenuity remains a constant. Thank God for that, and for the courage Americans have always demonstrated in defense of a cause.

As we remember the past, we can look to the future with confidence. For if we understand our past, we can expect that we will not repeat historical mistakes. And that we, too, may be called upon in our lifetime to be as inventive as those who won this great battlefield of Lexington, and that we, too, will meet the challenge and honorably discharge our duty.

God bless you.

TRIBUTE TO HOPEWELL BOROUGH

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to join Governor Christine Todd Whitman in praising Hopewell Borough and its mayor, Mr. George Padgett, for the fine fiscal management it has exhibited. The Governor recently presented Mayor Padgett with a proclamation recognizing their efforts in this important area of public policy.

With the recent passing of the Balanced Budget Act, Washington has acknowledged the importance of sound fiscal management coupled with responsible legislative action. Mayor Padgett and the borough council have managed Hopewell Borough efficiently and responsibly while controlling property taxes. They stand as a model to other towns, whether they are in New Jersey or around the Nation.

Mr. Speaker, I am pleased to stand here and acknowledge Mayor George Padgett and the Borough of Hopewell.

ADDRESS DELIVERED BY BERNARD L. SCHWARTZ

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. BERMAN. Mr. Speaker, I rise today to direct the attention of my colleagues to an important address delivered recently at the Johns Hopkins School of Advanced International Studies by Mr. Bernard L. Schwartz.

Bernard Schwartz is one of America's premier industrialists. For at least the past quarter of a century, he has been a trusted, confidential advisor to Presidents, Cabinet members and Members of Congress. He is currently Chairman and Chief Executive Officer of Loral Space and Communications Ltd, a global high technology firm that primarily concentrates on satellite manufacturing and satellite-based services.

During the first Clinton administration, Mr. Schwartz served on the Defense Science Board Task Force on Antitrust, which issued the guidelines that govern current mergers in the defense industry. Through his private sector efforts and his public sector service, Bernard Schwartz is a true expert on a range of issues affecting America's continuing technological prowess and economic well-being.

In his address—''Defense Industry Consolidation: Where Do We Go From Here?''—Mr. Schwartz astutely describes the state of our Nation's defense industrial base. He provides some excellent suggestions for steps we can take to maintain healthy competition in the defense industry even as that industry undergoes unprecedented consolidation.

As those of us on the House Judiciary Committee know, the importance of competition in this vital industry cannot be understated: it is absolutely essential to ensure that American taxpayers receive a fair return on their investment and that we don't send our men and women in uniform into harm's way with inferior equipment.

Mr. Schwartz also touches on two other issues that are of great interest to me and many of my colleagues: trade with the People's Republic of China and fast track trade negotiating authority.

As the ranking member on the Asia and the Pacific Subcommittee of the House International Relations Committee, I have spent countless hours debating our policy toward China. I believe that negotiating China's integration into the international community is one of the most critical foreign policy challenges we now face. No one can doubt China's emergence as a global power with nuclear weapons and a permanent seat on the U.N. Security Council. Becoming a world, power, however, entails bearing the responsibility of acting like one, and abiding by international treaties and law.

Prior to 1997, I consistently voted to continue MFN for China because I believed that ending that status would not bring about the change we week to encourage. This year I changed my position because China has continued to proliferate technologies associated with weapons of mass destruction to Iran and Pakistan. Such behavior runs counter to all international norms. But I, like Bernard Schwartz, remain very hopeful that we can improve our relations with China and build on our existing economic ties with the people of that country.

I strongly agree with Mr. Schwartz that we should support President Clinton's request for fast track. This authority—held by every President since Gerald Ford—is necessary to ensure that our trade negotiators have the leverage they need to pry open overseas markets.

It is clear that our economic prosperity at home is closely tied to our active participation—and indeed, leadership—in the global economy. Since 1992, almost 40 percent of our domestic economic growth is directly related to international trade. The United States cannot afford to sit on the sidelines while the rest of the world hammers out new trade pacts.

Following is the text of Mr. Schwartz's address:

DEFENSE INDUSTRY CONSOLIDATION: WHERE DO WE GO FROM HERE?

(By Bernard L. Schwartz)

Thank you, Chairman Pitofsky, Dean Wolfowitz, and ladies and gentlemen for joining us for what I hope will be a provocative and useful discussion about defense industry consolidation.

It is a pleasure for me to be back speaking at the Johns Hopkins School and Advanced International Studies. I have, in fact, been giving talks here on subjects associated with the U.S. Defense industrial base for roughly the past decade, and I applaud the continuing interest of the school, under the very able leadership of Paul Wolfowitz, in this subject. I have felt for a long time that the health of the defense industrial base is of critical importance to keeping the United States strong and secure. During the years of the cold war; it was critical for us to have a healthy industry to deter the kinds of threats that we faced in that era, and, in my

view, it continues to be critical for us to maintain a vital defense capability to field the most advanced military systems and weaponry. Defense technology and its production base will save lives and provide the foundation of an effective foreign policy.

In the late 1980s, when I first spoke here, I was concerned about the threat posed by foreign companies buying, without suitable constraints, American defense firms. I have always favored opening American markets to foreign participation. But I felt that, particularly in the defense arena, there should be some guidelines governing foreign participation. So I spoke here and subsequently authored a paper that Johns Hopkins published, entitled; ''Foreign Ownership of U.S. Defense Companies; Where Do We Draw The Line?'' Happily, in my view, in the intervening years the U.S. Government has helped to draw a useful balance in this area, demonstrating that good government policy can work with industry to produce constructive results.

In the early 1990s, Johns Hopkins again provided me an opportunity to address defense issues. On this occasion, the subject was the impact of a planned, precipitous decline in defense procurement. I was particularly concerned about what this might mean for our industrial base and our security interests. I felt then, and feel now, that this country over-armed in the 1980s. The industry has excess personnel and excess capacity to meet the changed threat, so downsizing was appropriate and inevitable. However, I felt that this needed to be done purposefully, with a continuing eye on the changing threats that the United States would be called on to face in a post-cold war world. At that time, I stressed that the DOD and industry needed to form a new covenant to transform, sensibly, our defense industry into a smaller, leaner, but healthier producer of the world's finest weaponry for the world's finest peacekeeping force. At the time, this was in conflict with the apparent Laissez-Faire policy of the DOD.

I was, therefore, delighted when I was asked in mid-1993 to serve as a member of the defense science board task force on antitrust. Its chairman was Bob Pitofsky, who proved to be both a masterful leader and consensus-builder. It was a difficult assignment, not only because the issues were complex, but because they cut across a wide spectrum of government, industrial, defense and social interests. One challenge facing the task force's members was keeping our civility while advocating strongly held convictions.

The resulting report was constructive and balanced, and, I think, unanimous. Its recommendations formed a basic framework for the defense industry consolidation to the overall benefit of all interests. Bob Pitofsky's wisdom, tact and negotiating skills were essential to that successful result.

In the roughly 3½ years since the issuance of this report, the restructuring of the U.S. defense industrial base has gone forward to an unprecedented degree. During this period, there have been more than a dozen major defense mergers, involving roughly $60 billion. The most recent, and one of the largest of these transactions, Lockheed Martin's acquisition of Northrop Grumman, is still pending before the antitrust authorities at the Department of Justice. In all, approximately $100 billion in mergers and acquisitions have already occurred since 1990.

It is appropriate to measure how effective we were during the initial phase of industry consolidation. I think we did well. Recall the consternation that greeted the beginning stages of the downsizing. Stories about plant closings were prime time media events, emphasizing the economic impact on communities, and widespread concern for the one million employees whose jobs were terminated. These men and women, possessed of skills and training that were once regarded as national assets, were suddenly rendered redundant. Southern California, Long Island, and many formerly prosperous areas were in serious recession.

But then a miracle of economic recycling occurred. Aggressive entrepreneurialism recycled defense resources, transferring those specialized skills to commercial applications. Thus liberated, this human capital, coupled with huge investment capital, exploded into new businesses, new technologies, new plant investments, and new markets. The genius of American ingenuity, unhindered by the Government bootstrapping of the European economic model, invented, developed, invested and produced at higher levels of efficiency than could ever have been imagined, and brought forth a new paradigm of wealth and job creation, and an expanding economy without inflation.

What a success story—the result of a successful collaboration between government and industry, not unique in the American experience, but nonetheless, fantastic.

My personal experience, and Loral's, is totally consistent with this history. By the end of 1995, Loral Corporation grew to a $7.5 billion high-tech electronics systems company. Almost all of our activities were involved with defense. We were consistently profitable and we were the leading supplier of many of the significant technologies used in defense electronics.

In fact, Loral was a principle beneficiary of defense consolidation. But the merger in 1995 of Lockheed Martin rang a bell. We read the merger between a leading platform company and a leading electronic system supplier into a mega-sized player as the beginning of a new phase in the industry rationalization. This was a vertical integration that left companies, even as strong as Loral, vulnerable. We determined that remaining independent as a defense contractor was not a good strategy for the future. We initiated discussions with Lockheed Martin in a fairly unique transaction, selling the defense operations for about $9.5 billion, keeping the satellite and most of the space operations, and paying a $8 billion plus cash dividend to our shareholders. Twenty years prior, Loral's aggregate shareholder value totalled $7.5 million. In 1996, including the value of Loral Space and Communications and Globalstar, shareholder value totalled about $11 billion. Today's equivalent value is about $14 billion.

The reason we chose Lockheed Martin as a merger partner was that our companies provided the best business and operating fit. The synergies offered the best opportunities for growth and the best prospects for a good integration of Loral's employees. I am proud to say that these considerations were extremely important. It became a win-win transaction, and offered bountiful returns to our shareholders, as well.

What is more relevant to this evening's discussion is management's decision to transfer our energies to commercial space and telecommunications after a long and successful defense experience. Although defense will remain a good business, we nevertheless felt vulnerable to the vertical integration that was coming. The point here is that a merger of mega-resources into a vertically integrated defense supplier present a threat to second tier companies, even if they are large primes. Now, Loral had an option—recycle into an emerging commercial market. But, if others similarly opted out also, a mass exodus of independent producers from the subtier level of the industry would not serve the country's vital interests.

In my judgement, the threat of vertical integration will have a chilling effect on our national capability. It is commonly accepted that much of the most innovative technology developments are advanced by the creative environments of the smaller, independent companies. If we allow the mega-forces created by industrial consolidation to vertically consume these second and third tier independents, we risk losing a critically important segment of industry.

However, this development is not inevitable, and I was delighted last year when the defense department decided to create a task force to look at vertical integration. The task force was specifically created to analyze the potential effects of vertical integration on defense products and to identify whether the defense department should take any new initiatives. I know that the task force worked hard, held a number of searching meeting and produced a useful final report, but I think it should have reflected a greater urgency by offering some concrete steps to help maintain a healthy and competitive subtier base. At least two well-established procurement procedures that would serve well the needs of the department and those of the industry are available. One is to separate prime weapon platform procurements from procurements of major subsystems, support services and training. From the RFP offering through the granting of contracts, if government acquisitions were to be so divided, the DOD customer would have access to all available technology and performance on the basis of merit. This practice is more difficult to administer than awarding everything to one contractor, but I believe the offsetting benefits are more than worth the inconvenience and cost.

A successful example of this procedure, and there are many, is the F–15 program in which the platform was competed and then secured from McDonnell Douglas, but a major avionics system, the radar warning receiver, was separately supplied by an electronics company, in this case Loral. The point being, the platform manufacturer could not automatically choose an internally provided system when, in fact, a better solution was available because the DOD acquisitions divided the platform procurement from its major components.

A second initiative that would help to ensure the integrity of our industrial base would be to issue the prime contract for complex weapon system procurement to system integrators. This would separate the hardware and software manufacturing functions from the design, engineering, and integration activities. In one procurement which can be successfully cited, the British Ministry of Defense awarded the procurement of the total helicopter system to an integrator as prime. The helicopter platform supplier, as well as all other subsystem suppliers, are sub-contractors to the integrator prime. It is a large procurement and, thus far, is quite successful. Parallel other examples could also be cited.

The effective implementation of these initiatives would require a vigorous commitment from the DOD, including its most senior officials. I believe that such a commitment is called for at this time.

In summary, then, it would appear to me that a pro-active defense policy that seeks to maintain a healthy defense industry is essential to our national interest. Further, although the industry consolidation has progressed rapidly, the process will continue. In this respect, our concern about the cannibalistic character of vertical integration requires caution as it relates to the industry sub-tier. Finally, there are well-established DOD procurement practices, in place, to provide the appropriate protection, but it will

require aggressive leadership implementation to secure the best results.

I am confident we can accomplish this. After all, in the adjustment from war to peace, America has led the way in beating swords into plowshares. We have realized an enormous peace dividend in the form of R&D and production resources released to general economic development, and in this regard, we must credit government initiatives that led the way to downsizing while balancing the interests of national defense and industry viability.

Before I conclude, I should add one controversial issue that is relevant to an effective defense policy. Any dicussion of the future of defense should include the critical role of trade in preventing military confrontation. As I mentioned earlier, Loral is now totally focused on commercial satellite manufacturing and satellite-based services. As such, we are deeply immersed in foreign markets, notably in China, which is a customer for our large geostationary satellites and a partner in our globalstar satellite telephone system.

In my travels to China, and in my involvement in the policy debates on global trade, as well as Loral's widespread engagement in international joint ventures, I have become increasingly convinced that expanding commerce is the best way to promote peaceful relations between our two countries and to avoid the type of isolation that can lead to military miscalculation.

In that regard, I believe it is critical that President Clinton be given fast track authority to continue his highly successful trade policy. Over the past five years, 13 million new jobs have been created in the United States, close to two million of them in new, export-related jobs that pay on average 15 percent higher wages.

Unemployment is at a 24-year low and we are now the most competitive economy in the world. Exports are up by more than $300 billion, notably in high-technology, and we have regained world leadership in automobiles and semi-conductors. This is not the time to hamstring the President and threaten our unprecedented prosperity. Our startling economic progress is due to the combined impact of defense recycling, new technologies, improved productivity, dynamic capital markets, and a global economy. I hope that our friends in the Congress will keep their eyes on the ball and will approve the fast track legislation to keep us on the fast track to even greater prosperity.

Thank you. I will be delighted to answer questions.

WORDS OF POSITIVE INSPIRATION

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to address the topic of human life. I am deeply concerned about the lack of concern for what the Declaration of Independence calls the unalienable * * * Right to Life * * *. Our society today has too often ignored the sanctity of human life to the point of relegating it to someone else's choice. Trivializing human life to this extent debases our culture and erodes our fundamental respect for the self-evident right to life. As such I would like to relay the views of a constituent of mine from Greeley, CO, Miss Sonni Biundo. Her words have powerful meaning, and I think ought to positively inspire our colleagues here today assembled:

My whole life I was programmed to be pro-choice. I was told that as a woman it was my duty to protect women's rights—this included, most of all the right to have an abortion. I entered and finished college a pro-choice activist. I felt that no one had the right to tell me what to do with my body. I thought that pro-life activists who protested at abortion clinics on the nightly news were out of touch with reality, and that the poor women who joined the pro-life fight were simply brainwashed and could not think for themselves. What I didn't understand is when life begins.

That is the essential difference, and what ultimately divides the pro-choice and pro-life camps. As I have grown older, and hopefully wiser, I have begun to understand when life begins—at conception. Therefore, I am not letting government intrude on your life and instruct you on what you can and cannot do with your body—I am asking government to protect the life of a human being who has no voice. If our society cannot protect the most vulnerable in it, then where are we going?

Ask yourself some simple questions. Why is it a tragedy when someone you love suffers a miscarriage? Why do we have a name chosen for a child before it is born? Why do we touch a pregnant woman's stomach to feel movement? Why do we bring pictures from an ultrasound in to work to show our colleagues?

Before my nephew was born, I wondered what he would look like, what he would be good at, the sports he'd like, if he would be tall or short—what his dreams would be. I looked at my sister and her husband and wondered about the miracle they had created, and prayed he would have all the love he needed to get through life. I asked these questions at the very first movement, when all I could see on the ultrasound was a kidney shaped mass. He was already a child to me, already a human being with all the rights that he enjoys now.

Do I believe you are immoral for having an abortion? Yes, but you do not have to answer to me. Only to God. Do I think we can legislate morality? No. When I say it would please me to have abortion outlawed, I am not pleased because I have made you agree with me. I do not think I have made you a ''moral'' person by making you conform to my standards. I am pleased because a child who deserves a chance has it. A chance that we all got and have taken for granted, by simply being alive.

Mr. Speaker, these words are a good indication of the positive inspiration our country needs. It is crucial for us as a nation to rise above the selfish and politically expedient trend pervading our culture and restore the standard of a paramount value placed upon the lives of all human beings.

OSCAR GARCIA RIVERA POST OFFICE BUILDING

SPEECH OF

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 21, 1997

Mr. RANGEL. Mr. Speaker, I rise today to strongly urge my colleagues to support H.R. 282, a bill that would designate the U.S. Post Office Building located at 153 East 110th Street in my district in New York, as the Oscar Garcia Rivera Post Office Building.

Mr. Oscar Garcia Rivera was the first Puerto Rican to be elected to public office in the continental United States. On March 7, 1937, he made history by becoming assemblyman of the 14th Congressional District, in the State of New York, which at that time was Harlem.

Oscar Rivera was a true leader who was committed to improving the lives of those who resided in his community. He was committed to protecting the rights of manual laborers and encouraged workers to organize themselves into active unions. However, his many contributions did not stop there.

He went on to introduce a bill guaranteeing safeguards against unemployment which was enacted into law in February 1939. He defended minimum wage laws, fought for regulated hours of labor, and worked to establish tariff agreements.

Oscar Garcia Rivera was a man of many talents. His vision of helping others to lead a better and more prosperous life, began as a young man who established the Association of Puerto Rican and Hispanic Employees within the U.S. Postal Service where he was employed, and continued throughout his entire adult life until his passing in 1969.

Mr. Speaker, I am honored and proud to be a part of this legislation honoring this outstanding and renowned individual. The life of Oscar Rivera is an inspiration not only to New York State and the Puerto Rican community, but to all people whose lives were touched in some way by his vision.

Let us salute him and pay tribute to him in this way.

HONORING VIRGINIA B. HARTER FOR FOUR DECADES OF DISTINGUISHED SERVICE

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. HORN. Mr. Speaker, I rise today to invite Members to join me in honoring the career of Virginia B. Harter, Assistant Commissioner, Debt Management Services, Financial Management Service, Department of the Treasury. Mrs. Harter retires from the Senior Executive Service effective October 31, 1997, after nearly 40 years of employment in the Federal service. Mrs. Harter's career consistently exceeded the high standards for superior performance and is a credit to the Financial Management Service and the Department of the Treasury.

Mrs. Harter began her career as a civil servant in 1957 with the National Security Agency. After joining the Department of the Treasury's Financial Management Service in 1959, Mrs. Harter rose through the ranks while serving in numerous important management positions. Between 1979 and 1981, Mrs. Harter served as the program manager for the design and development of the Treasury's Direct Deposit/Electronic Funds Transfer Program. As a result of this program, 53 percent of the 840 million Treasury disbursements were made electronically in 1996, saving taxpayers $169 million. Mrs. Harter also served as the Director of the Governmentwide Cash Management Program and Director of the Credit Management/Debt Collection programs at the Financial Management Service.

In 1989, Virginia B. Harter was appointed to the position of the Chief Disbursing Officer for

the Federal Government. In that capacity, Mrs. Harter joined the Senior Executive Service where she was responsible for directing the issuance of more than 800 million payments valued at over $1.7 trillion annually. Mrs. Harter remained in this position until 1994 when she was appointed to the position of Deputy Associate Commissioner for Reengineering where she led the research and the development of the conceptual design for the world-class government-wide payments process for the future.

Mrs. Harter earned the 1995 Presidential Award of Meritorious Executive for the Senior Executive Service for her outstanding contributions in building sound financial management programs government-wide and particularly, for her leadership in creating programs to share financial and technical assistance to the new independent states of the former Soviet Union.

In 1996, Virginia Harter was appointed Assistant Commissioner for Debt Management Services at the Financial Management Service. This placed her in the forefront of the Federal Government's effort to recover over $51 billion in non-tax delinquencies owed to the Government. She provided vital leadership in the management and expansion of government-wide debt collection efforts as required by the Debt Collection Improvement Act of 1996. This included services for all Federal agencies and State governments, such as administrative offset, the Treasury Offset Program, and cross-servicing and collection of delinquent debt.

Virginia Harter's exceptional knowledge and expertise in implementing the Government-wide Debt Management Program will be sorely missed by Members of Congress who remain determined to relieve future generations from suffocating Federal budget deficits. I invite my colleagues to join me in saluting a job well done, and in wishing Mrs. Harter an enjoyable and satisfying retirement.

THE BOUNDARY WATERS CANOE AREA WILDERNESS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. OBERSTAR. Mr. Speaker, I rise today to share with my colleagues an article that appeared in today's edition of the Washington Post. It concerns legislation I have introduced entitled ''The BWCAW Accessibility and Fairness Act of 1997,'' H.R. 1739. I offer this article, written by Karl Vick, because it is a particularly well-balanced, informative, and insightful account of an issue that has fallen victim to an enormous amount of misinformation.

Mr. Vick's article describes the historically important role that the Boundary Waters Canoe Area Wilderness [BWCAW] has played in the lives of Northern Minnesotans, as well as the current issue concerning access to this natural treasure that is before this body. I believe it would be beneficial for all Members, as well as the public at large, to learn from Mr. Vick's article.

[From the Washington Post, October 22, 1997]

RIPPLES OF DISCONTENT

(By Karl Vick)

ELY, MINN.—Once again the Boundary Waters Canoe Area Wilderness is awash in the sort of righteous arguments, political torments and generalized stress that people flock to this serene constellation of lakes, islands and sky to leave behind.

And once again the fight is over the preferred method of plying its glassy waters.

Canoeists say a bill set for a vote today in a House committee will expand the use of motorboats, sundering the almost sepulchral tranquillity that has made these more than 1 million acres where Minnesota meets Canada the most popular federal wilderness. More than 200,000 people visited the Boundary Waters last year, arriving from as far away as Holland, and 92 percent made their way among its 1,100 lakes by paddling.

''It's like going back in time. I felt like a fur trader,'' said Gail Klugman, after a weekend visiting from suburban Minneapolis. ''It's just the most peaceful place I've ever been.''

Of those who prefer skimming along by outboard motor, on the other hand, most live just minutes away. Locals visit the boundary Waters mostly to fish, and complain that the number of favorite walleye holes accessible by outboard has been effectively reduced even below the 22 lakes left open to them by legislation passed over their objections almost two decades ago.

''The people who live up here and make a life of it—be it at the mines, on the lakes, own your own business, whatever—these people are locked out of their own back door,'' said Steve Koschak, who owns a resort outside Ely. ''And you can say it's a playground for the whole country. But when you live on a lake and you can't go out on it because of some imaginary line going down the middle of it? That ain't right.''

Anglers have sought relief from a Republican Congress that likes to approach issues with the assumption that locals know better than Washington. Local advocates insist that the measure the House Resources Committee will take up this morning—an identical bill awaits floor action in the Senate—would do little more than allow pickup trucks to tow motorboats on three rugged trails between lakes, or portages, that have been closed by federal courts.

But the bills would also check a trend that has been running toward canoeists and wilderness advocates for decades. In Minnesota, the lid has come off a controversy that, when last broached 20 years ago, tipped the balance in a U.S. Senate primary, inspired class warfare across the Land of 10,000 Lakes and put local Forest Service employees in the habit of venturing into the woods only in street clothes for fear of drawing gunfire if they wore their uniforms.

''It gets old, to say the least,'' said Frank Leoni, standing with one foot in Newton Lake and one on the shore.

A Forest Service employee dressed in flannel shirt and rubber waders only because he had been casting a jig for walleye, Leoni had just lifted a fishing boat onto a set of ''portage wheels'' he and his buddies were about to haul a quarter of a mile on their way home to Fall Lake. The boat was laden with camping gear, fishing poles and the legal limit of fish caught over four days. That's roughly as much time, Leoni pointed out, as it would have taken them to paddle waters they had covered in a single day with their outboard.

''I think that's the concern of the locals, who work, you know. Who want to come in for a day,'' said Dan Hernesmaa, an Ely native. ''We enjoy the wilderness as much as the paddlers do.''

But not in the same way.

Sound carries across water, and on the stony, glacial lakes of the Boundary Waters it seems to carry like nowhere else. Located just beyond the Laurentian Divide, north of which rivers flow toward Hudson Bay, it is a lake land matrix unlike any east of the Mississippi: a wilderness of rock fields scooped out by glaciers, then filled by evergreens, aspen and cold, clear water. The result is terrain of lush color but almost austere stillness.

Kevin Proescholdt, who worked as a guide in the area for 10 years before heading the advocacy group Friends of the Boundary Waters, recalled hearing traffic from a road fully six miles from his campsite. In such a setting the putt-putt of a 25 horsepower outboard (the maximum horsepower allowed on most lakes in the wilderness area) is cast as an all-out assault on the hush that canoeists savor.

A pair of them glided into the Newton Lake portage while Leoni and Hernesmaa spoke, their craft's approach so quiet neither man was aware of it until it skimmed onto the landing beside them.

''It's really hard to contradict the locals, but I think they ought to leave it the way it is,'' said Brian Nugent, 27, a New Orleans bartender armsore but otherwise refreshed after five days paddling a canoe rented from Koschak's resort. His father, an environmental scientist, had traveled from Atlanta for the trip.

''It's just a special place, that's all you can say,'' Richard Nugent said. ''If people want to partake of it they ought to paddle like everyone else.''

Residents reply that the Boundary Waters is unusual in another way. Among federal wilderness areas established by Congress in 1964, it is one of only a small handful that historically has made accommodation for motorboats. Even the 1978 bill that banned mining and logging allowed small outboards to continue on the 22 larger lakes that, together, account for 23 percent of the wilderness area's water surface. The problem has become reaching those lakes.

Access to the Boundary Waters is restricted. In order to increase the odds of a ''wilderness experience'' that federal regulation defines as encountering other humans no more than seven times in a day, the U.S. Forest Service issues permits even for single day use. The agency also allows entry only at specific sites, some a fair hike from the best fishing.

For years, commercial outfitters cut down the inconvenience by making trucks available to haul motorboats on three portages, one four miles long. But under the terms of the hard-fought 1978 legislation, those trucks would be allowed only if it wasn't ''feasible'' to drag the boats overland by hand. The crucial term was agreed upon in negotiations between Charles Dayton, the attorney representing environmentalists, and Ron Walls, a local lawyer charged with representing Northern Minnesota interests.

Dayton later confided that ''feasible'' was a linguistic booby trap—a legal term of art that courts would almost surely interpret in a way that would guarantee the motorized portages would be shut down, as, indeed, the U.S. Supreme Court in 1993 ruled they must be.

''Candidly, I doubt whether Ron as a general practitioner in a small town knew that,'' Dayton is quoted as saying in ''Troubled Waters,'' a book recounting the Boundary Waters battle from the environmentalists' point of view. ''And I didn't tell him about it.''

Motor advocates waived the passage like a flag at a House subcommittee hearing last month.

''We're not rubes,'' said Rep. James L. Oberstar, whose district includes the Boundary Waters. ''We're not jack pine savages. We're honest, decent people and we took them at their word.

''And that word was 'feasible.' ''

Oberstar, ranking Democrat on the Transportation Committee, sponsored the portage bill in the House while Rod Grams (R–Minn.) pushed passage in the Senate. The Clinton administration opposes both, as it did a measure last year that would have increased outboard use while bringing the wilderness area under a ''local management council.''

Todd Indehar, president of the grass-roots Conservationists With Common Sense, said such a council remains his ultimate goal. But lawmakers insist their ambitions extend only to the three portages (and keeping motors on a section of one large lake where they are scheduled to be banned under the 1978 agreement).

''I'm not saying you have to open this up and kowtow to the people of Northern Minnesota and give them everything they want,'' Grams said. ''But what are they asking for? Only what they had.''

In Ely, the appetite for a win is keen. With main roads lined by canoe outfitters and a clutch of outdoorsy boutiques (including one named for polar adventurer Will Steger, the most famous local resident), the town of 4,000 appears prosperous. But Ely has lost population in the decade since the open pit mines cut back at the nearby Mesabi Iron Range. And the tourism that, during the short summer, has taken up some of the slack is built on a more effete appreciation of the outdoors than most locals knew growing up.

''The impression is we get a lot of rich yuppies who don't even know what to do with their money and they tell us what to do, where to do it and when to do it. And the portages is a symbol of that,'' said Vince O'Conner, 41, of nearby Babbitt.

The enmity goes back to at least 1978 and the ''compromise'' that Indehar said destroyed a vibrant local heritage of fishing shacks and family outings in the name of an urban elite view of ''wilderness.'' The politically active region mobilized against the U.S. Senate bid of Donald Fraser, who had championed the measure in the House. And the memory of his upset loss is still savored at the Hook, Line & Sinker bait and tackle shop on Sheridan Street.

''You're looking at one of the baldheaded [expletives] who helped send him down the tubes,'' said owner Leonard Katauskas, the Salem in the corner of his mouth going jaunty for a moment.

It does not matter that the economic benefit of opening the portages likely would be, as Katauskas put it, ''minuscule.'' Nor is there traction for the argument that motors are welcome in the 98 percent of Minnesota lakes that the lie outside the wilderness area.

The lakes many area residents grew up fishing lay inside the Boundary Waters, and locals say they want to reach them again even if the Forest Service imposes a $10 daily user-fee, as it recently announced it would.

''This,'' Oberstar said, ''is a contest over lifestyles.''

TRIBUTE TO JUDGE JAMES NOWICKI

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. BONIOR. Mr. Speaker, today I rise to pay tribute to Judge James Nowicki who is being honored with the Boy Scout's Distinguished Citizen of the Year Award by the Clinton Valley Council of Boy Scouts of America. The award was presented to Judge Nowicki on October 22, 1997 at Fern Hill Country Club.

Judge Nowicki has served Macomb County as Probate Court Judge since 1975. In 1978, Judge Nowicki's colleagues elected him Chief Probate Judge. Under Judge Nowicki's leadership, the Probate Court has initiated innovated programs such as a mediation process and referee system. He also established the appointment of Guardian Ad Litems to help senior citizens protect their rights during periods of illness or mental incapacity.

Throughout the years, Judge Nowicki has been active in a variety of community organizations. Some of his past and present affiliations include the Founders Day Committee of Orchard Lake Schools, the John W. Smith's Old Timers, the Mt. Clemens JC, and the Clinton Valley Council Boy Scouts of America. His civic contributions have touched the lives of many people.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Judge Nowicki's time, talents, and energy are appreciated by all of us. I thank him for his efforts and commend him for his good work. I applaud the Boy Scouts of Clinton Valley Council for Recognizing Judge Nowicki. He has provided outstanding leadership to our community and I know he is proud to be honored by the Scouts.

On behalf of the Boy Scouts of America, I urge my colleagues to join me in saluting Judge James Nowicki.

TRIBUTE TO HENRY B. GONZALEZ

SPEECH OF

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1997

Ms. SANCHEZ. Mr. Speaker, I rise today to commend Congressman HENRY B. GONZALEZ who, after 36 years of service, is resigning from Congress this year. I would like to join my colleagues in honoring this great leader.

Congressman GONZALEZ leaves a legacy of hard work and dedication to his constituents as well as the entire country. He provided leadership by serving diligently as the House Banking Committee chairman from 1989 to 94, where he shepherded 71 bills through the legislative process from introduction to enactment into law.

Congressman GONZALEZ is a role model for young men and women as well as the Hispanic community. Before serving in Congress, he operated a Spanish-English translating business with his father and taught math to veterans and citizenship classes to resident aliens seeking citizenship. He went on to serve his constituents of San Antonio as a member of the city council for 3 years and then as State senator for nearly 5 years.

Congressman GONZALEZ is a devoted public servant who will be missed by all of his colleagues. I am very proud of his achievements and contributions to our country.

CONFERENCE REPORT ON H.R. 2169, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1997

Mr. STOKES. Mr. Speaker, I rise today in support of H.R. 2169, the Transportation appropriations conference report for fiscal year 1998. This measure provides a net total of $42.2 billion, which is $5.1 billion—14 percent—more than the current level, but $320 million—1 percent—less than the House-passed bill. H.R. 2169 funds the Department of Transportation and related agencies, including the following agencies within the Department: Coast Guard, Federal Aviation Administration; Federal Highway Administration; Federal Railroad Administration; and the Federal Transit Administration.

In particular, H.R. 2169 funds two valuable projects for the Regional Transit Authority [RTA] in Ohio's 11th Congressional District. I am very pleased that Congress saw the need for expanding the blue line and the waterfront line. These are important improvements for Greater Cleveland.

The RTA will receive $800,000 for a major investment study of extending the blue line of the Greater Cleveland Regional Transmit Authority through Shaker Heights to the Highland Hills Corridor. This extension would directly link a growing suburban employment center with the region's largest employment center—downtown Cleveland. This rail transportation link is especially important since there is no direct freeway link between these two employment centers.

Congress also allotted $1 million for a major investment study for a waterfront line extension that would serve the Playhouse Square, Cleveland State University, and the rest of the St. Vincent Quadrangle. This study would assess the needs of north-south transportation in the eastern portion of the central business district. The study may also further support how the waterfront line extension could improve the entire region's transportation system goals.

I am pleased with the positive effects the RTA extensions can have on Greater Cleveland's workers. With RTA extensions, the Beachwood-Orange-HIghland Hills area will be able to attract major commercial/industrial employers to undeveloped and underdeveloped land. Suburban residents will also be better linked to their downtown employers.

Funding for these RTA studies is part of an effort to assure accommodating and economical access between the city center and the suburbs for all Greater Cleveland citizens. The need for an expansion of our public transit system is a good sign; It reflects the development of the Warehouse District, the success of the Flats Entertainment District, and the popularity of the downtown sports facilities, among the many other assets of Cleveland. I am glad that Congress recognizes these developments, and I support H.R. 2169.

CLARIFICATION OF THE HEALTH INFORMATION PORTABILITY AND ACCOUNTABILITY ACT

HON. DAVID L. HOBSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. HOBSON. Mr. Speaker, on August 21, 1996, the *Health Information Portability and Accountability Act* became law. The health care administrative simplification provision of this new law is based largely on prior work done by my colleague Mr. SAWYER and myself.

As is to be expected, a few people don't want to play by the rules. It has come to my attention that a bill that I introduced in 1995 is being used by some of these groups to leverage an interpretation of the current law to say that standards for specific administrative simplification transactions to be adopted under the law are voluntary standards. I want to make it clear that, although voluntary standardization was considered in the past, it was judged to be unworkable in the real world and is not a part of the law today for that reason.

The industry has voluntary standards today. Because the standards are merely voluntary, a number of payers have continued to require others to use their individual formats, which has effectively prevented the industry as a whole from moving to a single, efficient electronic transaction environment. The splintered state of the current electronic interchange world is one key reason for the enactment of the administrative simplification provisions.

The intent of the law is that all electronic transactions for which standards are specific must be conducted according to the standards. These standards were not imposed by the law, but instead were developed by a process which included significant private sector input. Providers are given the option of whether to conduct the transactions electronically or ''on paper'' but if they elect to conduct them electronically, they must use the standards agreed upon through the law. Payers are required to accept these transmissions in the standard format in which they are sent and must not delay a transaction or adversely affect a provider who wants to conduct the transactions electronically.

I hope my statements today help clarify the intent of this legislation and work to prevent any non-compliance. There are specific deadlines for compliance and penalties in the law for anyone who fails to comply with the intent of this law. Mandatory compliance is required in order to meet the goals of simplifying the administration of our Nation's health care system and improving its efficiency and effectiveness.

CAMPAIGN FINANCE REFORM

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. KIND. Mr. Speaker, another day and still no campaign finance reform. As you know, I have been making a statement in the RECORD every day asking for you to schedule a vote on campaign finance reform. Each day I have tried to point to reasons why we need reform, and examples of the problems that exist in the system. Today I was amazed and amused by three items which jumped out at me in the morning newspaper, each pointed once again for the desperate need for campaign finance reform.

The three items brought to our attention today are: the Senate majority dinner, to be held on November 5, where sponsors are asked to raise $100,000 for the Republican Senate majority; a weekend retreat sponsored by the Democratic National Committee this weekend. The retreat costs $50,000 and includes appearances by the President and the Vice President. And, finally, the recent disclosure that the Republican National Committee has spent $800,000 on attack ads in the special congressional election in New York City.

Mr. Speaker, it should be obvious. There is too much money in the system, the average citizen is being shut out of the process, and the leadership of this House is unwilling to allow a vote on fixing campaign finance reform. Now is the time for action.

EXCEPTIONAL ACCOMPLISHMENTS IN CONSERVATION

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. STUPAK. Mr. Speaker, I rise today to pay tribute to two families in my district for their exceptional accomplishments in conservation of our resources. Harold and Virginia Schlenvogt are receiving the Menominee Conservation District's 1997 Conservation Farmers Award and Tom and Pat Schloegel are receiving the 1997 Conservation Forestry Award.

Harold and Virginia Schlenvogt own and operate a farm that has been in their family since 1932. The Schlenvogt farm is typical of the farms in Menominee County. It is 280 acres, with 150 acres cleared. There is a milking herd of 50 Holsteins and a herd of 40 young stock. The barns, silos, and sheds were all built by Harold, and a new home stands next to the site of the original farm house.

While the farm may be typical, the commitment of the Schlenvogt family to the task of farming and to community service is something special. In addition to full-time farming, Harold has served on many local boards and commissions, as well as church building and Sunday School boards. Harold and Virginia have passed along their strong family values. One son, Steve, has his own farm just down the road, and another son is serving the county as a member of the road commission.

The Schlenvogt's are now planning to retire and enjoy their 3 children and 10 grandchildren. While Menominee County still has some 300 producing farms, we will truly miss Harold and Virginia's agricultural contributions.

The second couple being honored for their conservation efforts is Tom and Pat Schloegel. The Schloegel's moved to Menominee in the mid 1960's to escape the pace and development of Chicago and to raise their family in God's country. One of their early investments was in a 280 acre parcel of property with many dilapidated old buildings and woods that were in need of sensible forestry management.

Over the past 30 years, Tom, Pat, and their children have harvested wood from the property and planted thousands of trees as part of the Forest Stewardship Program. When the Schloegel's four boys were in school, Tom sent saplings to their classes on Arbor Day to encourage an early education of the importance of forest stewardship in our youth. Tom and Pat's son Scott Schloegel is my chief of staff here in Washington and recalls many weekends spent with his family on the property working their garden, planting trees, and harvesting select trees that were marked for removal to allow healthy growth of the forest. Now every time Scott gets home to see his parents it includes a trip to ''the farm'' to monitor progress of the plantings and reminisce about the great times spent with the family over the years.

The Schloegel's continue their efforts to encourage stewardship today by planting trees to honor their grandson, constructing ponds for wildlife and giving Global Relief shirts to their children which say ''Cool the Globe, Plant a Tree'' on them.

Mr. Speaker, it is because of families like the Schlenvogt's and the Schloegel's that we in northern Michigan are able to enjoy such a high quality of life. I thank them for their conservation efforts and congratulate them on receiving their awards from the Menominee Conservation District.

INTRODUCTION OF LEGISLATION TO HELP THE NATION'S SAFETY NET HOSPITALS: CARVE OUT OF DISPROPORTIONATE SHARE HOSPITAL PAYMENTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 22, 1997

Mr. RANGEL. Mr. Speaker, on behalf of myself and Mr. STARK, Mr. CARDIN, Mr. LEWIS of Georgia, and Mr. BECERRA, I am today introducing legislation to give equitable treatment to the Nation's safetynet hospitals, the hospitals which serve a disproportionate share of the Nation's uninsured and low income.

Our bill carves out disproportionate share hospital [DSH] payments from the amount we give HMO's and pays those DSH funds directly to DSH hospitals when managed care company patients use a DSH hospital.

This legislation completes a process well-started in the Balanced Budget Act. In the just-enacted Balanced Budget Act, we carved out from what we pay HMO's the amount attributable to the cost of graduate medical education [GME] and provided that, when an HMO's patient actually uses a GME hospital, that hospital will be directly reimbursed by Medicare for its extra GME expenses. This provision corrects a serious problem facing our Nation's teaching and research hospitals: HMO's get paid as if they use these hospitals, but in many—but not all—cases, HMO's avoid these more expensive hospitals. The carve out will prevent windfalls to HMO's and permit the GME hospitals to compete fairly for HMO patients.

The same logic that supported the GME carve out supports the DSH carve out. Though the Senate Finance and Commerce Committees' bills provided for both a DSH carve out

and a GME carve out, the DSH carve out was dropped from the final BBA. There is no logic to not applying the same principle to DSH payments.

Our Nation's safetynet hospitals desperately need these extra payments—and HMO's which do not use DSH hospitals do not deserve the extra amount. For example, as data from 1995 show, the Nation's public hospitals in over 100 of America's largest metropolitan areas are among the key safetynet hospitals. These hospitals make up only about 2 percent of all the Nation's hospitals, yet they provide more than 20 percent of all uncompensated care and they rely on Medicare and Medicaid to fund more than half of that uncompensated care. in 1995, 67 of these safetynet hospitals reported incurring $5.8 billion in uncompensated care costs—defined as bad debt and charity care—an average of over $86 million per hospital. For these institutions, bad debt and charity care represented 25 percent of their total gross charges. These safetynet hospitals have the worst total margins—that is, ''profits''—in the hospital industry. Overall, hospital margins from Medicare payments are at record highs and this fact justified the Medicare payment update freeze and reductions which were included in the Balanced Budget Act. But the Prospective Payment Assessment Commission estimates that in 1997 the Nation's major teaching hospitals, who also tend to be DSH hospitals, will have the lowest total margins of any hospital category: 3.9 percent—a thin and shrinking margin that will surely turn negative in the next economic downturn. The enactment of this legislation could help improve these margins and preserve the more than 800 hospitals who are receiving DSH payments.

Providing a DSH carve out will also help these hospitals compete equally for managed care patients. Failing to provide a carve out serves as an incentive to managed care plans not to use these more expensive hospitals. A recent White Paper from the National Association of Public Hospitals and Health Systems entitled ''Preserving America's Safety Net Hospitals'' explains why the DSH carve out should be legislated: ''The current methodology for distributing Direct Graduate Medical Education, Indirect Medical Education, and DSH payments is seriously flawed in the Medicare managed care context. For Medicare patients enrolled in managed care, these supplemental payments are incorporated into the average adjusted per capita cost [AAPCC] which is the capitation payment made to managed care plans. The plans do not necessarily pass these payments along to the hospitals which incur the costs that justify the payments. In fact, some plans receive the payments and do not even contract with such hospitals. As Medicare increases the use of capitated risk contracting, the amount of DGME, IME, and DSH funds that go to teaching hospitals will diminish considerably unless this payment policy is changed. In essence, payments intended to support the costs of teaching or low income care are being diverted from the hospitals that provide the care to managed care plans that are not fulfilling this mission. For this reason, the GME and DSH payments must be carved out of the AAPCC rate and made directly to the hospitals that incur those costs.''

I am pleased to report that the Hospital Association of New York State [HANYS] and the Greater New York Hospital Association [GNYHA] have announced their support for this bill. I hope that other hospital associations around the Nation will quickly join in urging passage of this bill.

The carve out for graduate medical education was wisely included in the Balanced Budget Act. It is logical, appropriate, and important that we complete the work and carve out the DSH payments.

SOROPTIMIST INTERNATIONAL OF WASHINGTON, DC MARKS 75 YEARS OF SERVICE

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. MORELLA. Mr. Speaker, I rise today to honor Soroptimist International of Washington, DC formerly known as the Soroptimist Club. November 27, 1997, will mark the 75th anniversary of this distinguished organization's charter, an event that justly deserves our appreciation. The community service efforts of this group of professional women should be recognized, for they have served the needs of the metropolitan Washington, DC, area well. Additionally, they have worked with their counterpart clubs throughout the United States, and all over the world, to help victims of disasters and to improve the quality of life of the less fortunate.

Soroptimists in the Washington metro area have worked tirelessly to improve the education, health, and welfare of residents of all communities. For nearly 40 years Soroptimists have provided a monetary award to a high school senior based on achievements in citizenship. They have awarded scholarships to allow students to attend Gallaudet University and the Howard University School of Nursing. Also, each year they present a grant to a women reentering the workplace. They are a founding benefactor of the Museum for Women in the Arts. Over the years, they have purchased bulletproof vests for police officers, imported German Shepherd dogs for the K–9 Corps, and helped the hospital for sick children install a new roof. They pay for mammograms at Providence Hospital for low-income women, and they purchase sleeping bags for the homeless of our community.

Mr. Speaker, please join me in congratulating and applauding the Soroptimist International of Washington, DC, and all Soroptimists throughout the world.

TRIBUTE TO EILEEN M. MCCARTHY

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to acknowledge the achievement of a young, prominent American from New Jersey. Eileen M. McCarthy was recently named a national finalist in the second annual Samsung American Legion Scholarship Program. Eileen received this honor based on her participation in the New Jersey American Legion Auxiliary Girls State Program.

Eileen is among 95 other outstanding young Americans named as finalists to complete for 1 of 10 college scholarships, each worth $20,000. These young girls were judged on the basis of their involvement in their school and community and for their academic achievements.

The scholarship program is funded by a $5 million endowment from the Samsung Group, an international company headquartered in South Korea and is administered by the American Legion. The endowment was made in 1995 as an expression of appreciation and in recognition of our country's involvement and sacrifice in the Korean War.

Mr. Speaker, young women like Ms. McCarthy are excellent examples of America's commitment to education and community service. Her hard work and dedication would make veterans very proud. I wish to commend Ms. McCarthy on her exemplary work.

THE ''NOT RAISING HOGS'' BUSINESS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BURTON of Indiana. Mr. Speaker, this letter came from a young man in the 11th grade in Alabama, and I thought it was worth putting into the CONGRESSIONAL RECORD so everyone in America could see how some of our Government programs are being used.

To: Honorable Secretary of Agriculture, *Washington, DC.*

DEAR SIR: My friend, Ed Peterson, over at Wells Iowa, received a check for $1,000 from the government for not raising hogs. So, I want to go into the ''not raising hogs'' business next year.

What I want to know is, in your opinion, what is the best kind of farm not to raise hogs on, and what is the best breed of hogs not to raise? I want to be sure that I approach this endeavor in keeping with all governmental policies. I would prefer not to raise razorbacks, but if that is not a good breed not to raise, then I will just as gladly not raise Yorkshires or Durocs.

As I see it, the hardest part of this program will be in keeping an accurate inventory of how many hogs I haven't raised.

My friend, Peterson, is very joyful about the future of the business. He has been raising hogs for twenty years or so, and the best he ever made on them was $422 in 1968, until this year when he got your check for $1000 for not raising hogs.

If I get $1000 for not raising 50 hogs, will I get $2000 for not raising 100 hogs? I plan to operate on a small scale at first, holding myself down to about 4000 hogs not raised, which will mean about $80,000 the first year. Then I can afford an airplane.

Now another thing, these hogs I will not raise will not eat 100,000 bushels of corn. I understand that you also pay farmers for not raising corn and wheat. Will I qualify for payments for not raising wheat and corn not to feed 4000 hogs I am not going to raise?

Also, I am considering the ''not milking cows'' business, so send me any information you have on that too.

In view of these circumstances, you understand that I will be totally unemployed and plan to file for unemployment and food stamps.

Be assured you will have my vote in the coming election.

Patriotically Yours,

Entre Prenuer.

CONGRATULATIONS J. MICHAEL WILLIAMS

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BARCIA. Mr. Speaker, the ability for our manufacturing industry to continue as the world's leader depends upon the knowledge and inventiveness of the professionals who devote their lives to their respective industries. The automotive industry, which is so important in my congressional district, is fortunate to have dedicated individuals such as J. Michael Williams, who this year received the James P. Keating Founders' Freedom Award from the American Foundrymen's Society.

His award from the American Foundrymen's Society is to recognize the many contributions he has made to the foundry industry, and his active involvement in government affairs, human resource management, safety, health and education. He leads a team of 13,000 people at five manufacturing sites and two development facilities. He was directly responsible for an outstanding safety record a these facilities, with only four tenths of one work day lost per 100 employees, while according to the National Safety Council iron and steel foundries generally lost 8.3 work days per 100 employees. Several technological advances were achieved under Mike's direction. He instituted the first plasma cupola in North America, high volume casting of aluminum into greensand, and the use of GMBond, a new environmentally friendly core sand binder.

Mike Williams is the components manufacturing manager for the General Motors Powertrain Group, working in Saginaw, MI. He has been a leader for GM in the development of many advances in casting technology which help make our cars both more durable and more efficient. Having started at Delco Remy as an hourly General Motors Institute student, he rose to several supervisory positions, including superintendent of Delco Remy's plant 10 in 1980, and divisional production manager in 1981. He was director of production control at the Oldsmobile Division in Lansing in August, 1984, and then for the Buick-Oldsmobile-Cadillac J/N product team. He also worked at the Central Foundry Division as director of materials management. In 1990 he was appointed manager of the chassis and transmissions strategic business unit. And in 1992 he became director of manufacturing-casting operations for GM powertrain.

Michael Williams has most definitely had a career of success and advancement, culminating in this richly deserved award from his peers in the foundry industry. I urge you and all of our colleagues, Mr. Speaker, to join me in congratulating him for his award, and in wishing him every continued success.

REPEAL OF PRIVATE FEE-FOR-SERVICE PLANS IN MEDICARE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. STARK. Mr. Speaker, I am today introducing legislation to repeal the option of private fee-for-service plans under Medicare+Choice which was enacted this summer as part of the Balanced Budget Act.

These plans make no sense whatsoever. The CBO did not assign any costs to them, because they basically assumed no one would be foolish enough to join one. But the plans hold some potential for further risk segmentation and consumer abuse and should therefore be repealed.

This proposal, which came from the Senate, provides an individual with the equivalent of an amount of money equal to the amount that would be spent on them if they joined an HMO in their area and allows them to use that voucher to buy into an unmanaged fee-for-service plan, which has none of Medicare's billing or utilization protections. In terms of out-of-pocket expenses, the sky would be the limit and the insurance nature of Medicare would be gone.

Who would be nutty enough to want to buy into one of these plans, you ask? The very, very rich who don't have to think about medical bills might be interested. It could be a sort of boutique status symbol and sold as a plan which attracts the very best doctors who would like to charge more. If this Beverly Hills policy were the only danger, one could look the other way. But there is the danger that salespersons could convince some vulnerable senior to join such a plan without understanding the tremendous extra liability they would face. There is a danger that in certain rural or isolated communities a group of doctors could force patients to accept this plan as the only option—thus increasing their income while destroying Medicare' protections.

This proposal is the brainchild of some in the right-to-life community who believe that Medicare payment rates are so strict that some doctors may not provide adequate care under traditional Medicare. Therefore, to avoid euthanasia one can join one of these plans and let your doctor charge you extra. It is too bad that those who care about killing seniors spend so much time helping the rich find fire escapes, and so little time helping the uninsured and those who are not rich live in a good system.

Mr. Speaker, there is no evidence of access or quality problems in the current Medicare system. Indeed, the latest data from the Physician Payment Assessment Commission shows that the major access problem facing seniors is lack of money to pay the 20 percent co-payment—not the fact that we pay doctors on a fee schedule.

The private fee-for-service option is a mischievous amendment that does not good and has potential for harm. Repeal would remove a wart from the Medicare Program and ensure that we all—rich and poor—seek to keep the system a quality system.

SCHOOL LUNCH WEEK: SUSTENANCE FOR OUR CHILDREN

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. FILNER. Mr. Speaker, I rise today to recognize the importance of a vital and often overlooked national program. The week of October 20 through October 24 marks the 51st anniversary of the National School Lunch Program, which has served to provide nutritional meals to three generations of American schoolchildren.

In California's 50th Congressional District, as in many other communities across the country, school lunches provide the only balanced meal that many of our children can count on. Sadly, their young voices are not always heard as Congress debates the necessity of this program.

The National School Lunch Program provides the most basic need of our young people—a healthy, balanced meal to give them the nutrition and energy necessary to learn and succeed in school. School lunches provide the sustenance for the body that enables children to learn and provide sustenance for their developing minds.

Incredibly, this beneficial and cost-effective program is under constant attack. Such short-sided logic is a threat to the health and welfare of our children and our Nation as a whole. Many of my colleagues remember attempts to designate catsup as a vegetable and other attempts to eliminate the program entirely. These are not examples of cost-effective government, they are not examples of leadership, they are examples of child neglect—both criminal in intent and cold at heart.

Mr. Speaker, in honor of National School Lunch Week, I ask that my colleagues rise and join with me in support of the National School Lunch Program to continue this important nutritional lifeline to our children.

IS THE IRS A ROGUE AGENCY? FEDERAL EMPLOYEES ARE AGAIN THE SCAPEGOAT

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. LANTOS. Mr. Speaker, recently we have heard horror stories from a Senate Finance Committee about Federal employees of the Internal Revenue Agency, the IRS. As these charges have echoed and reechoed across the political spectrum, there have been few voices willing to express a contrary point of view.

I fear, Mr. Speaker, that we are again witnessing an effort to score political points by scapegoating Federal employees. While I do not condone wrongdoing by any Government employee, the recent charges have been blown completely out of proportion and have tainted all employees of the IRS. This is absolutely appalling.

Mr. Speaker, in this atmosphere National Public Radio has again demonstrated that it is a national treasure, a vital information resource that provides critically needed alternate points of view. NPR is not just another ''me-too'' media outlet reflecting, but not thinking about, the so-called news.

In an excellent commentary broadcast by NPR's ''All Things Considered'' on Tuesday, October 21, Jacob Weisberg, the chief political correspondent for Slate magazine, provided a much-needed alternate point of view. It puts the IRS bashing into perspective, and it emphasizes that Federal employees are a competent and dedicated group of Americans. Mr. Speaker, I ask that his commentary be placed

in the RECORD, and I urge my colleagues to give it serious and thoughtful attention.

Robert Siegel, Host: Commentator Jacob Weisberg says IRS bashing has become a popular new game on Capitol Hill and in the news media. He says the accusations would not stand up to an audit.

Jacob Weisberg, Commentator: Republicans have an excellent new enemy—the Internal Revenue Service. With Senate hearings and a national barnstorming tour, party leaders have spent the past several weeks vilifying the one government bureaucracy they think has no friends.

Democrats and the Clinton administration, sensing a political hazard, have piled on with their own expressions of outrage and called for reform.

But is the IRS really a rogue agency? Consider what we've learned in recent weeks. The Senate Finance Committee heard testimony from four abused taxpayers. These four were culled from some 1,500 who have contacted the committee. There's no way of knowing how many of those have legitimate gripes.

But even if all were genuine victims, it would not remotely approach the kind of systematic sadism alleged by Republicans. There are more than 200 million tax returns filed each year, of which 2 million are audited. Fifteen hundred abject failures would mean an error rate of .00075 percent. And that's not even per year. It's per ever.

Even some Republicans used to think that was pretty good. A bipartisan commission on the IRS recently concluded that there was no systematic abuse of taxpayers. The commission found very few examples of IRS personnel abusing power, its report noted.

What about the IRS using revenue quotas? To the extent this happened, it was a response to pressure from Capitol Hill. In 1995, the newly elected Gingrich Congress passed a compliance initiative authorizing the hiring of 1,200 new agents. It demanded data from the agency to show that the money was being well spent.

But didn't we at least learn that the IRS persecutes the poor? There has been a sharp decline in audits of taxpayers with incomes of more than $100,000, and an increase for those under $25,000. But there are some innocent explanations. In 1990, the IRS began categorizing non-filers about whom it lacked information in the $25,000 and under category. It audited more of them after Congress demanded that it prevents cheating on the Earned Income Tax Credit, which goes to the working poor.

Upper income audits dropped when shelters were closed by tax reform in 1986. Despite the weakness of these and other charges, Republicans seem to think IRS bashing makes a great theme. TRENT LOTT, the Senate Majority Leader, recently slashed the agency as intrusive, abusive, and out of control. That's not a bad soundbite. But the IRS isn't out of control. Its critics are.

TRIBUTE TO RUTH VOORHEES

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. PAPPAS. Mr. Speaker, I rise today to pay tribute to a woman whose service and dedication should serve as an example to us all. For 22 years, Ruth Voorhees has volunteered at Morristown Memorial Hospital.

When Mrs. Voorhees became a widow at the age of 77, she began volunteering at this hospital as a way to cope with her loss. As a volunteer, she became a valuable asset of the Morristown Memorial Hospital volunteer corps. Her ability to turn an adverse situation into something constructive and meaningful is heartwarming and is recognized by many.

Recently, Mrs. Voorhees turned 99. Although birthdays of volunteers aren't usually observed, the staff made an exception and tied a big birthday balloon to her chair. Moreover, each day of the week of her birthday, she was taken out for lunch and dinner. This was all part of a week-long celebration to thank Mrs. Voorhees for her years of service.

Mr. Speaker, Ruth Voorhees embodies the movement this country has made toward placing a higher value on service and voluntarism. Also, Mrs. Voorhees has reaped deep rewards since becoming a volunteer and has found new dimension of life and new friends as a result of becoming a volunteer.

Ruth Voorhees' service and commitment to her community is work deserving of thanks from Congress, members of her community, friends, and family. I join with the staff of Morristown Memorial Hospital in congratulating and thanking Ruth Voorhees for her desire to help make the world as a better place.

INTRODUCTION OF THE COMMON SENSE CONTRACTING-OUT ACT

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. CUMMINGS. Mr. Speaker, on March 30, 1994, President Clinton signed into law the Federal Workforce Restructuring Act [FWRA] (P.L. 103–226) to reduce the Federal employee ceiling between 1993 and 1999 by 272,900 positions to a level of 1.88 million workers.

In his January 23, 1996, State of the Union Address President Clinton proclaimed: The era of big government is over. . . . Our Federal Government today is the smallest it has been in 30 years and it's getting smaller every day.

The FWRA goal has been reached 2 years early. In fact, the administration predicts that by the end of this fiscal year that we will have achieved 110 percent of the original downsizing target.

The question we must now ask ourselves as lawmakers is did we accomplish what we set out to achieve. By getting rid of Federal employees have we made our Government work better and cost less or have we simply replaced civil servants with contractors? Most observers believe that Government downsizing is driving the increase in contracting-out for services.

According to a recent policy analysis from the Cato Institute, at the same time the Government was downsizing there has been a ''rapid growth rate of contracted labor, which has become a kind of shadow government.'' By 1995 the Government was spending $114 billion a year on service contracts while the total cost of the Federal payroll was only $111 billion.

Former OMB Deputy Director for Management John Koskinen acknowledged last year that the Government does not know how many private workers it is paying for. ''You can use any number you want,'' he said, ''but whatever it is it is a lot of people.'' Current OMB Deputy Director for Management Ed Deseve said recently before the House Civil Service Subcommittee that not only do we not know how many contractors work for Uncle Sam ''we don't really have any need for this type of information.'' I disagree.

If you consider the fact that taxpayers are paying the salaries of both Federal employees and contractors, the truth is that we really don't know if the Government today is the smallest it has been in 30 years. More importantly, we really don't know over the long term if contractor performance is more cost effective than in-house performance of Government functions.

When the public sector and the private sector compete to provide Government services, both sides strive to provide the best service for the best price. In these competitions, the public sector wins half the time and the private sector wins half the time. The real winners, however, are the taxpayers who generally benefit from the competition driven 30 percent reduction in the cost of Government services.

Under current Government contracting rules (OMB Circular A–76) when the Government wins a contracting competition its workers are periodically audited to determine if they remain the most cost-effective providers of service. Ironically, no similar rule is applied to contractors that win competitions. My legislation closes the gap in current contracting rules and keeps the competitive spirit alive by providing a mechanism for automatically reviewing contracts that have exceeded their initial projected costs to determine if the work could be performed more efficiently in-house.

If you are interested in ensuring that the American taxpayers are getting the best bang for the buck, I encourage my colleagues to cosponsor this legislation.

CODIFICATION OF TITLE 8, U.S. CODE, ALIENS AND NATIONALITY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. HYDE. Mr. Speaker, today I am introducing a bill to codify and enact certain general and permanent laws, related to aliens and nationality, as title 8 of the U.S. Code. This bill has been prepared by the Office of the Law Revision Counsel of the House of Representatives as a part of the responsibilities of that Office to prepare and submit to the Committee on the Judiciary, for enactment into positive law, all titles of the U.S. Code. This bill makes no change in the substance of existing law.

Anyone interested in obtaining a copy of the bill and a description of the bill, containing a section-by-section summary should contact John R. Miller, Acting Law Revision Counsel, U.S. House of Representatives, H2–304 Ford House Office Building, Washington, D.C., 20515–6711. The telephone number is (202) 226–2411.

Persons wishing to comment on the bill should submit those comments to the Acting Law Revision Counsel no later than January 30, 1998.

HONORING AIR FORCE SECRETARY SHEILA E. WIDNALL

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Ms. HARMAN. Mr. Speaker, at the end of the month, a distinguished leader of the Air Force will leave office and begin a new chapter in her life.

Sheila E. Widnall, the first woman to serve as a service Secretary, will leave her position and I want to join her other friends and colleagues in commending her for a job well done.

During her tenure, Dr. Widnall led the Air Force through a critical period of post-cold-war consolidation and modernization. She directed a time-phased modernization program to shape the future of the Air Force and further integrate space systems into military operations.

Dr. Widnall championed the Department's revolution in business practices with unprecedented acquisition reform initiatives and outsourcing and privatization ventures which have assured that scarce taxpayer dollars are wisely spent. And, she helped lead the Nation's stewardship of space by partnering the Air Force with the National Reconnaissance Office, NASA, and the commercial space sector.

Most notably, Dr. Widnall took care of the individuals who serve in the Air Force. She focused on core values of respect and dignity, assured opportunity for men and women, and pursued tirelessly quality of life issues during a period of personnel reductions and increasing operations temp. She made tough, but courageous decisions during her 4-year tenure, particularly a recent one involving Air Force Lt. Kelly Flynn.

A sailor, jogger, and friend, I regret that I was not able to join Sheila on a trip we often discussed—a transcontinental flight aboard a C–17 cargo plane—an Air Force procurement we both worked to reform and save.

I join my colleagues on behalf of a grateful nation in thanking Dr. Widnall and her husband, Bill. Dr. Widnall set a high standard of leadership and vision, and has prepared the U.S. Air Force for the challenges of the 21st century.

INTRODUCTION OF LEGISLATION TO SAVE MEDICARE MONEY AND LIVES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. STARK. Mr. Speaker, on behalf of Representative BECERRA and myself, I am today introducing legislation which will save Medicare money—and save the lives of many of its beneficiaries.

The bill we are introducing passed the House in the Budget reconciliation bill (H.R. 2015) and was known as the Centers of Excellence proposal. CBO scored the provision as saving $300 million over the 5 years and $800 million over 10 years.

To quote from the Department of Health and Human Service's justification:

The Center of Excellence proposal originated as a result of a demonstration conducted in the early 90's under which certain facilities, referred to as ''Centers of Excellence,'' were paid a single fee to provide all of the facility, diagnostic and physician services associated with coronary artery bypass graft [CABG] surgery. The facilities were selected on the basis of their outstanding experience, outcomes, and efficiency in performing these procedures. Medicare achieved an average of 12 percent savings for CABG procedures performed through the demonstration.

The House provision would have made the Centers of Excellence program a permanent part of Medicare by authorizing the Secretary to pay selected facilities a single rate for all services, potentially including post-acute services, associated with a surgical procedure or hospital admission related to a medical condition. As with the CABG demonstration, selected facilities would have to meet special quality standards and would be required to implement a quality improvement plan.

The amendment was dropped in conference because of resistance from the Senate. Some Senators from States where no hospitals were designated felt that the program tended to cast into doubt the quality or excellence of non-designated hospitals. Mr. Speaker, the name of this program is not important—what is important is that it can save money and by encouraging beneficiaries to use hospitals that have high volume, quality outcomes, it can save lives. Therefore, I am dropping the term ''centers of excellence'' and just using the phrase ''contracting entities.''

Like Lake Wobegon, where all the children are above average, it is human nature for all Members of Congress to want their local hospitals to be above average. But not all hospitals are above average—and this is a serious matter. In fact, it is a matter of life and death. Hospitals which do large volumes of a certain type of procedure tend to have better outcomes and quality. Indeed, really good health policy in this Nation would prohibit hospitals from doing sophisticated procedures if they do not do a certain volume per month. This principle is applied to liver transplants, for example, and ought to be applied to some other procedures as well. We may all have pride in our local hospitals, but the fact is: some of them are killing people because they do not do enough of certain types of procedures and therefore are not skilled in those procedures.

Medicare should be able to contract with certain hospitals for quality and volume—both to save money and to deliver better health care.

We are about to begin a commission to make recommendations for the long-term survival of Medicare. Many on that commission will want to cut back benefits and ask beneficiaries to pay more—but before they do, they should explore every possible cost saving in the system. This bill is a two-fer: it saves money while improving quality.

I regret this provision was not included in this summer's budget bill. I hope it will be included in the next Medicare bill that moves through Congress.

As further explanation of why this legislation makes great sense, I am including below ''Extracts from the November, 1995 Research Report'' on the Centers of Excellence Demonstration.

CENTERS OF EXCELLENCE DEMONSTRATION—EXTRACTS FROM NOVEMBER 1995 RESEARCH REPORT

Rational for the Demonstration: Physicians operate under different payment incentives than hospitals, so hospital managers have difficulties Implementing more efficient practice patterns. A global fee that includes physician services aligns incentive and encourages physicians to use institutional resources in a more cost effective.

Design of the Demonstration: Under the demonstration, Medicare paid each of the hospitals a single global rate for each discharge in DRGs 106 and 107 bypass with and without catheterization. This rate included in all impatient and physician services. The standard Medicare hospital passthroughs were also included, i.e., capital and direct medical education, on a prorated basis. Any related readmissions were also included in the rate. Pre- and post-discharge physician services were excluded except for the standard inclusions in the surgeon's global fee. All four hospitals agreed to forego any outlier payments for particularly expensive cases. The hospitals and physicians were free to divided up the payment any way they chose,

Medicare Savings under the Demonstration: From the start of the demonstration in May 1991 through December 1993, the Medicare program saved $15.3 million on bypass patients treated in the four original demonstration hospital. The average discounted amount to roughly 14 percent on the $111 million in expended spending on bypass patients, including a 90-day post0-discharge period.

90 percent of the savings came from HCFA -negotiated discounts on the Part A and B inpatient expected payments.

8 percent came from lower-than-expected spending on post-discharge care

Beneficiary Savings under the Demonstration: Beneficiaries (and their insurers) saved another $2.3 million in Part B coinsurance payments.

Total Savings under the Demonstration: Total Medicare savings estimated to have been $17.6 million in the 2.5 year period.

Also included is an article from the October 23 Washington Post entitled ''Turning to a Specialist [Hospital] to Curb Rising Health Care Cost.'' It is an excellent explanation of how contracting with quality hospitals for a high volume of services can help both the Medicare trust fund and the patient.

TURNING TO A SPECIALIST TO CURB RISING HEALTH CARE COSTS

(By Steven Pearlstein)

Legal Sea Foods. The Cap. Federal Express. Nucor Steel.

One of the things common to all of these successful companies is focus. Rather than try to be all things to all people, they do one thing and do it very well. And by virtue of their high volume and specialization, they have raised quality and lowered prices for their consumers and made a nice profit beside.

But will the same formula work in health care? In small way, it already has.

At the Shouldice Hospital in Toronto, which performs only hernia operations, the average price of $2,300 was more than a third less than the cost of the same operation at the typical general hospital in the United States. And yet despite the lower cost, only one-half of 1 percent of Shouldice patients need to have the procedure repeated, compared with 10 percent of patients at general hospitals.

And at surgeon Denton Cooley's famed Texas Heart Institute in Houston, a coronary bypass operation cost $26,000, compared with

a national average of $30,000. More than 90 percent of Cooley's patients lived five years beyond their surgery; patients elsewhere didn't do nearly as well.

According to Regina Herzlinger, a professor at the Harvard Business School who collected the statistics, these early moves toward specialization are almost sure to be replicated as market forces continue to reshape the health care industry.

Herzlinger notes that a dozen or so medical conditions now account for as much as two-thirds of the nation's health care bill—things such as heart disease, depression, asthma, diabetes, arthritis, cancer and pregnancy. That means that if ways can be found to shave even 15 percent off the cost of treating those conditions, the nation's health care tab could be reduced by $100 billion each year.

Specialization, of course, is nothing new to medicine. There have long been mental hospitals and children's hospitals, rehab centers and eye and ear infirmaries. But for the most part, these centers have specialized in the hardest-to-treat cases, coupling care with medical research and training in ways that have tended to raise costs rather than lower them.

The new genre of speciality facilities—''focused factories,'' Herzlinger calls them—tend to be much more entrepreneurial, hoping to leverage their lower prices and higher quality to win contracts from big insurers and health and maintenance organizations.

In a sense, these facilities represent the second phase of the effort to rationalize the nation's health care system. In the first phase, competition forced doctors and nurses and hospital administrations to accept higher workloads and less pay while patients were forced to accept less choice and convenience. Now, that process has pretty much reached its limit.

In the next phase, experts say, the way in which doctors and hospitals go about delivering care will be reengineered, disease by disease. Hospitals and doctors that come up with standard treatments that generate the best medical outcomes at the lowest prices will become the preferred providers of the big health care plans. And look for these specialists to roll out their successful model nationwide, driving local suppliers out of the business in much the same way that Subway has trounced the local sandwich shop and Home Depot the local hardware store.

The high-volume specialists will gain some advantage from the fact that they can buy sutures more cheaply or because they can better afford the cost of sophisticated medical equipment. But more important, according to Herzlinger, is that by doing the same thing over and over again, they gain expertise and efficiency.

At Shouldice Hospital, for example, each surgeon performs an average of 600 to 700 hernia operations each year. That means Shouldice surgeons do more hernia operations in two years than most of their counterparts do in a lifetime.

So promising are these results that big HMOs, such as Oxford Health Plans in the New York area, are working with specialists and hospitals to put together their own focused factories in key markets.

General hospitals look at all this with some apprehension. Right now, the ''profits'' they earn from high-volume procedures such as heart bypasses and baby deliveries are used to make up for ''losses'' they suffer or running emergency rooms and neonatal units. But if the profitable business is taken away by the lower-cost specialists, hospital administrators warn that they will have no choice but to raise the price of the services they are left with.

James Bentley, vice president of the American Hospital Association, warns that what appears at first blush to be cost *saving* may, in the end, turn out to be nothing more than cost *shifting*.

But a Georgetown University Medical Center, Kenneth D. Bloem, the new chief executive, believes that the trend toward specialization is inevitable—and that general hospitals like his will have to begin preparing for it.

That might require Georgetown to develop one or two focused factories of its own, he said, while closing down some of its departments that cannot achieve minimum economies of scale. Or it might involve a new arrangement under which management of Georgetown's departments—the coronary surgery unit, say—is turned over to one of the specialty companies.

Right now, says Bloem, officials at a hospital such as Georgetown still think of it as more like a medical department store. In the future, he says, it may have to operate more like a mall made up of a number of market-tested specialty boutiques.

In a small way, that process already has begun. The coffee cart in the lobby of the hospital is run by Starbucks.

FIVE ALARMS FOR FIRE MARSHALL GARY T. CONNELLY

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BARCIA. Mr. Speaker, whether it is putting out a multiple alarm fire in a major life-threatening situation, providing emergency first aid in the event of an accident, or the more image-laden activities of rescuing the family cat from a tree or taking the shiny engine to an elementary school for fire safety day, each and every one of us has had a very positive encounter with our local fire departments. The people of my home town of Bay City have been the fortunate benefactors of the 30-year career of our recently retired fire marshal, Gary T. Connelly.

From June 1, 1967, when he started at the Central Fire Station and worked for several years with the first emergency rescue squad within the Bay City Fire Department, to his last 5 years as fire marshal, Gary Connelly has let it be known that he cares about the people he serves, the citizens of Bay City, and the many outstanding men and women of the department who report to him.

His outstanding career as a firefighter, a State-certified emergency medical technician, relief driver, and fire awareness officer, is the result of his ongoing professional training throughout his years. With training at Delta College for programs offered with the accreditation of the National Fire Academy, and other programs offered by the Michigan State Police, Macomb College, Eastern Michigan University, Central Michigan University, and the National Fire Academy itself, Fire Marshal Connelly is living testimony to the fact that one never stops learning, and that there are always opportunities to make even outstanding service even better.

The key element to his successful career, however, is the outstanding support that Gary has received from his family. His brother Kenneth also served as a member of the Bay City Fire Department for 32 years. Until his retirement as assistant chief in 1987. And without doubt, Gary's wife, Rosalyn, and his children Gary Jr. and Sherry, have been most supportive of his career. The dangers of being a firefighter are known to many of us, but are a very real daily fear for the families of these brave men and women. The people of Bay City probably own as much of a debt to Fire Marshal Connelly's family as they do to him.

Mr. Speaker, I know how important leadership is within a demanding organization like a fire department. Gary Connelly has provided service beyond what right any of us may have had to expect. I urge you and all of our colleagues to join me in wishing him a most pleasant and well-earned retirement, and the best for all that his future holds for him.

TRIBUTE TO UNION TOWNSHIP VOLUNTEERS

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. PAPPAS. Mr. Speaker, on Saturday, September 20, 1997, over 60 parents, teachers and other volunteers gathered together to help build a playground at the Union Township School in my district.

The cost of the equipment was raised by carnivals, book fairs and other projects. Area contractors, builders and merchants all joined forces to donate their skills, supplies, food and support. The parent-teacher association raised money for the project for 3 years.

When all was ready, the volunteers went to work, constructing the new playground which was ready in time for the start of the school year for the children to enjoy.

Mr. Speaker, this demonstration of community service and volunteerism is characteristic of our Nation's growing effort to help one another. It is heart-warming to hear of efforts like this that bring parents and area residents together for the common good of their children. I want to congratulate the residents of Union Township for coming together for such a worthwhile cause. They are truly an inspiration to us all.

THE ENHANCEMENT OF TRADE, SECURITY, AND HUMAN RIGHTS THROUGH SANCTIONS REFORM ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. CRANE. Mr. Speaker, I have long been concerned about the growing resort to unilateral trade sanctions to enforce foreign policy or other nontrade goals. I have always believed that before we impose sanctions, we should think long and hard about the effect of such sanctions on the U.S. economy and our businesses, workers, and consumers. There is little evidence that these sanctions have changed the behavior of the targeted government. Instead, the use of sanctions has translated into billions of dollars of lost opportunities here. In my view, the better policy is to pursue our goals with our trading partners through multilateral fora in an attempt to achieve consensus.

In order to achieve this goal, I am, together with my colleague Congressman HAMILTON from Indiana, today introducing legislation that would provide a framework for consideration of unilateral trade sanctions by the legislative and executive branches. The bill would not prohibit the imposition of trade sanctions, but it would establish a more deliberative and disciplined approach to U.S. sanctions policy.

Specifically, the bill would establish consultations between Congress and the executive branch as well as consideration of alternatives to the use of sanctions. In addition, the bill would ensure that Congress and the administration have adequate information about the likely effectiveness and economic and humanitarian costs of a proposed sanction. The bill would provide for a detailed analysis of whether the proposed sanction is the best tool for achieving U.S. objectives. Finally, the bill would impose regular reporting and sunset establishments. I believe that such a framework would allow us to pause and examine the impact that sanctions would have before we rush into what may be a counterproductive effort.

CUT RED TAPE ON EDUCATION

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, about the importance of education, Thomas Jefferson said, ''Enlighten the people generally, and tyranny and oppression of body and mind will vanish like evil spirits at the dawn of day.''

There is no more critical issue in Northern Colorado than education. The strength of our community and the republic rely squarely upon the mature and cultural literacy of the citizenry.

Jefferson observed, ''Every government degenerates when trusted to the rulers of the people alone. The people themselves therefore are its safe depositories. And to render even them safe, their minds must be improved to a certain degree.''

My years of work on the state Senate Education Committee and my current position in the U.S. Congress on the House Committee on Education have persuaded me to stick to the vision of the school children as the first priority, and parents as the most essential partners in education reform.

However, volunteering for several years on parent boards at my children's elementary schools in Fort Collins has persuaded me that the best policies established for children are devised at the most local level involving real parents.

But our local traditions of parental involvement, unfortunately, are constantly under attack in Washington by those who favor a stronger federal presence in our classrooms. The track record is clear. As more education authority is usurped by the federal government, and stripped from local professionals, there has been a corresponding decline in national, education performance.

In Colorado, education leaders often feel hamstrung to fully address some alarming trends. About one-quarter of Colorado high school students will drop out before they graduate. The average high school dropout costs society an estimated $563,000 over his lifetime in public subsidies and income support.

A total of 68,135 suspensions occurred in the 1994–95 school year, involving 47,072 elementary and secondary students in Colorado. The Colorado graduation rate for the class of 1995 decreased 1.4 percentage points from the 1994 graduation rate. Statewide, 40 percent of Hispanic students scheduled to graduate in 1996 did not.

In spite of mammoth growth in the federal education bureaucracy's budget, Washington's agents have produced little in the way of positive results. Consequently, my colleagues and I have moved forward with plans to empower local communities by cutting the red tape and administrative costs associated with large federal programs. For example, we've repealed 87 outdated federal programs over the last two years and consolidated 26 more into four, giving states broader latitude to target funding where they know it's most needed.

We've successfully beaten back the U.S. Department of Education's attempt to take over independent national testing, and we've resisted the federalization of curriculum by transferring hundreds of millions of dollars away from centralized programs toward at-risk kids, vocational education and the disabled.

Our objective in Washington must be to continue shrinking the federal administrative bureaucracy and liberating classrooms, to unleash states and communities and honor our traditions of local, parental authority.

By focusing on the liberty to learn and the freedom to teach, a less intrusive federal government can inspire local communities to pursue their inclinations toward promising, bottom-up innovations, like school choice, charter schools, post-secondary enrollment options and other alternatives, in addition to conventional approaches. Together we can create an education marketplace improving opportunity equally for all students by once again treating teachers like real professionals, and parents like real customers, realizing Jefferson's vision ''at the dawn of the day.''

REWARDING PERFORMANCE IN COMPENSATION ACT

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. BALLENGER. Mr. Speaker, today I am introducing legislation which will continue our efforts to make the Fair Labor Standards Act [FLSA] applicable to today's work force. Presently, the FLSA requires that certain payments to a nonexempt employee—such as commissions, gain sharing, incentive, and performance contingent bonuses—must be included in the employee's regular hourly rate of pay for the purposes of calculating overtime pay. Oftentimes, this discourages employers from monetarily rewarding their employees for good performance. This legislation will remove the barriers within the FLSA which, in effect, prevent employers from providing bonuses to hourly paid employees.

It is becoming more common for companies to link pay to performance as they look for innovative ways to encourage employee performance and allow employees to share in the company's success. More employers are awarding one-time payments to individual employees or to groups of employees in addition to regular wage increases. Employers have found that rewarding employees for high-quality work improves their performance and the ability of the company to compete. Unfortunately, many employers who choose to operate such pay systems can be burdened with unpredictable and complex overtime liabilities.

Under current law, an employer who wants to give an employee a bonus based on production, performance, or other factors, must divide the payment by the number of hours worked by the employee during the pay period that the bonus is meant to cover and add this amount to the employee's regular hourly rate of pay. This adjusted hourly rate must then be used to calculate time-and-a-half overtime pay for the pay period. On the other hand, employers can easily provide additional compensation to executive, administrative, or professional employees who are exempt under the FLSA without having to recalculate rates of pay.

Many employers who provide discretionary bonuses do not realize that these payments should be incorporated into overtime pay. One company ran afoul of the FLSA when they gave their employees bonuses based on each employee's contribution to the company's success. The bonus program distributed over $300,000 to 400 employees. The amount of each employee's bonus was based on his or her attendance record, the amount of overtime worked, and the quality and quantity of work produced.

When the company was targeted for an audit, the Department of Labor cited it for not including the bonuses in the employees' regular rate for the purpose of calculating each employee's overtime pay rate. Consequently, the company was required to pay over $12,000 in back overtime pay to their employees. The company thought it was being a good employer by enabling its employees to reap the profits of the company and by paying wages that were far above the minimum. Instead it was penalized by the Department of Labor for letting its employees share in its success. Meanwhile, President Clinton was exhorting businesses to work in partnership with employees, by sharing the benefits when times are good.

This legislation will eliminate the confusion regarding the definition of regular rate and remove disincentives in the FLSA to rewarding employee productivity. The definition of regular rate should have the meaning that employers and employees expect it to mean—the hourly rate or salary that is agreed upon between the employer and the employee. Thus, employers will know that they can provide additional rewards and incentives to their nonexempt employees without having to fear being penalized by the Department of Labor regulators for being too generous.

IRAN MISSILE PROLIFERATION SANCTIONS ACT, H.R. 2709

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. GILMAN. Mr. Speaker, along with a number of my colleagues, I am today introducing the Iran Missile Proliferation Sanctions Act

of 1997. This legislation provides for tougher sanctions on organizations, particularly in Russia, that have transferred missile hardware or technology to Iran.

It requires the President to submit a report to Congress identifying organizations which have transferred missile hardware or technology to Iran after August 8, 1995, when Russia joined the international Missile Technology Control Regime [MTCR].

Those firms identified in the report would be subject to 2-year sanctions that include a ban on certain types of export licenses and a ban on any U.S. assistance, although the President would have authority to waive the sanctions under certain circumstances.

One of our most important national security objectives is to prevent Iran from obtaining, and in some cases improving, their capability to develop and deploy weapons of mass destruction. Most critical in the short term is the prospect of Iran enhancing its ballistic missile capability.

It is clear that Russia has already provided Iran with critical know-how and technological support. The question now facing us is whether we can halt any further assistance, and time is short. We have only a few months to prevent Iran from achieving a significant advance in its missile program.

There is more than credible information that Russian organizations have been allowed to assist Iran in this area in violation of Russia's international obligations under the Missile Technology Control Regime. Amazingly, however, despite such assistance the administration has not applied United States missile sanctions laws to these Russian organizations.

The purpose of our legislation to require the administration to face up to the dangers that we face as Iran strives to develop weapons of mass destruction, and to take appropriate action.

TRIBUTE TO SHYAMALA B. COWSIK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. LANTOS. Mr. Speaker, relations between the United States Congress and the Government of India have been improving steadily in the past 2 years. One of the major reasons for this improvement has been the excellent work of Shyamala B. Cowsik, the Deputy Chief of Mission at the Embassy of India here in Washington. During her current posting, Ambassador Cowsik has worked tirelessly with Members of Congress and congressional staff to explain India's important economic reforms, its secular democratic government, and its large consuming class. In doing so, she has helped to create a climate in which an ever growing number of the Members of this body have come to realize the importance of a strong India-United States relationship.

Mr. Speaker, Shyamala Cowsik is an Indian Foreign Service Officer. Prior to being the Deputy Chief of Mission in Washington, she served as India's Ambassador to the Philippines. Earlier she held important postings in Thailand and Yugoslavia. Having now completed her term in the United States, Ambassador Cowsik is leaving at the end of the month to become India's Ambassador to Cyprus. I know my colleagues join me in wishing her success in this position as well as congratulations on a job well done here in Washington.

INTRODUCTION OF LEGISLATION TO INCREASE THE CAPITAL EXPENDITURE FOR TAX-EXEMPT INDUSTRIAL DEVELOPMENT BONDS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 23, 1997

Mr. NEAL of Massachusetts. Mr. Speaker, today Congressmen HOUGHTON, ENGLISH, and I are introducing legislation which would have a positive impact on small manufacturers. This legislation would increase the capital expenditure limitation for tax-exempt industrial development bonds [IDBs] from $10 to $20 million.

Under current law, the issuance of tax-exempt industrial development bonds for qualified purposes is limited to $10 million. This limitation was set in 1978 and it needs to be increased to account for inflation. The $10 million limit in capital expenditure limits restricts the use of IDB's to provide businesses with affordable capital as part of local economic programs.

Increasing the cap to $20 million would allow many small businesses to grow. This legislation would allow a larger number of small manufacturers in Massachusetts to use low cost, tax-exempt financing to expand their operations and add jobs.

I urge my colleagues to show their support for small manufacturers by cosponsoring this legislation. Increasing the level of tax-exempt financing will result in capital expenditures that will create job growth.

Thursday, October 23, 1997

Daily Digest

HIGHLIGHTS

Senate passed Further Continuing Appropriations, 1998.

The House passed H.R. 2646, Education Savings Act for Public and Private Schools.

Senate

Chamber Action

Routine Proceedings, pages S11001–S11171

Measures Introduced: Three bills and two resolutions were introduced, as follows: S. 1310–1312 and S. Res. 138 and 139. **Page S11034**

Measures Reported: Reports were made as follows:

S. Res. 96, proclaiming the week of March 15 through March 21, 1998, as ''National Safe Place Week''.

S. 474, to amend sections 1081 and 1084 of title 18, United States Code, with an amendment in the nature of a substitute.

S. 813, to amend chapter 91 of title 18, United States Code, to provide criminal penalties for theft and willful vandalism at national cemeteries, with an amendment in the nature of a substitute.

S. 1292, disapproving the cancellations transmitted by the President on October 6, 1997, regarding Public Law 105–45, with an amendment.

Page S11033

Measures Passed:

Continuing Appropriations: By a unanimous vote of 100 yeas (Vote No. 276) Senate passed H.J. Res. 97, making further continuing appropriations for the fiscal year 1998, clearing the measure for the President. **Page S11015**

Committee Expenditures: Senate agreed to S. Res. 138, authorizing expenditures for consultants by the Committee on Rules and Administration.

Page S11168

Extradition Treaties Interpretation Act: Senate passed S. 1266, to interpret the term ''kidnapping'' in extradition treaties to which the United States is a party, after agreeing to the following amendment proposed thereto: **Pages S11168–69**

Lott (for Helms/Biden) Amendment No. 1523, in the nature of a substitute. **Pages S11168–69**

ISTEA Authorization: Senate resumed consideration of S. 1173, to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, with a modified committee amendment (the modification being a substitute for the text of the bill), taking action on amendments proposed thereto, as follows:

Pages S11014–15, S11018–19, S11169–71

Pending:

Chafee/Warner Amendment No. 1312, to provide for a continuing designation of a metropolitan planning organization. **Page S11169**

Chafee/Warner Amendment No. 1313 (to language proposed to be stricken by the committee amendment, as modified), of a perfecting nature.

Page S11169

Chafee/Warner Amendment No. 1314 (to Amendment No. 1313), of a perfecting nature. **Page S11169**

Motion to recommit the bill to the Committee on Environment and Public Works, with instructions.

Page S11169

Lott Amendment No. 1317 (to instructions of the motion to recommit), to authorize funds for construction of highways, for highway safety programs, and for mass transit programs. **Page S11169**

Lott Amendment No. 1318 (to Amendment No. 1317), to strike the limitation on obligations for administrative expenses. **Page S11170**

During consideration of this measure today, Senate also took the following action:

By 48 yeas to 52 nays (Vote No. 275), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate failed to agree to close further debate on the modified committee amendment. **Pages S11014–15**

By 48 yeas to 50 nays (Vote No. 277), three-fifths of those Senators duly chosen and sworn not having

voted in the affirmative, Senate failed to agree to close further debate on the modified committee amendment. **Pages S11018–19**

Senate will continue consideration of the bill on Friday, October 24, 1997, with a cloture vote on the modified committee amendment to occur thereon.

FDA Modernization and Accountability Act—Conferees: Senate disagreed to the amendments of the House to S. 830, 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, agreed to the request of the House for a conference thereon, and the Chair appointed the following conferees: Senators Jeffords, Coats, Gregg, Frist, DeWine, Kennedy, Dodd, Harkin, and Mikulski. **Page S11018**

Treaties Approved: The following treaties having passed through their various parliamentary stages, up to and including the presentation of the resolution of ratification, upon division, two-thirds of the Senators present and having voted in the affirmative, the resolutions of ratification were agreed to:

Agreement With Hong Kong for the Surrender of Fugitive Offenders, subject to two understandings, two declarations, and one proviso. (Treaty Doc. 105–3)

International Telecommunication Union Constitution and Convention, with two understandings, two declarations, and one proviso. (Treaty Doc. 104–34)

U.S.-Mexico Treaty on Maritime Boundaries, with one declaration and one proviso. (Ex.F, 96–1)

Migratory Bird Protocol with Canada, with one understanding, one declaration, and one proviso. (Treaty Doc. No. 104–28)

Migratory Bird Protocol with Mexico, with one declaration, one understanding, and one proviso. (Treaty Doc. No. 105–26) **Pages S11165–68**

Nomination—Agreement: A unanimous-consent agreement was reached providing for the consideration of Algenon L. Marbley, to be United States District Judge for the Southern District of Ohio on Monday, October 27, 1997, with a vote to occur thereon at 5 p.m. **Pages S11164–65**

Nominations Confirmed: Senate confirmed the following nominations:

Kevin L. Thurm, of New York, to be Deputy Secretary of Health and Human Services.

Ellen Seidman, of the District of Columbia, to be Director of the Office of Thrift Supervision for a term of five years,.

Peter L. Scher, of the District of Columbia, for the rank of Ambassador during his tenure of service as Special Trade Negotiator.

Edward E. Shumaker III, of New Hampshire, to be Ambassador to the Republic of Trinidad and Tobago. **Pages S11165, S11171**

Nominations Received: Senate received the following nominations:

Paul J. Hoeper, of California, to be an Assistant Secretary of the Army.

Linda Key Breathitt, of Kentucky, to be a Member of the Federal Energy Regulatory Commission.

Curt Herbert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission.

Frank D. Yturria, of Texas, to be a Member of the Board of Directors of the Inter-American Foundation. **Page S11171**

Messages From the House: **Page S11033**

Executive Reports of Committees: **Page S11034**

Statements on Introduced Bills: **Pages S11034–42**

Additional Cosponsors: **Pages S11042–43**

Amendments Submitted: **Pages S11044–S11162**

Notices of Hearings: **Page S11162**

Authority for Committees: **Pages S11162–63**

Additional Statements: **Pages S11163–64**

Record Votes: Three record votes were taken today. (Total—277) **Pages S11014–15, S11018–19**

Adjournment: Senate convened at 9 a.m., and adjourned at 6:43 p.m., until 9:45 a.m., on Friday, October 24, 1997. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S11171.)

Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Agriculture, Nutrition, and Forestry: Committee ordered favorably reported the nominations of Sally Thompson, of Kansas, to be Chief Financial Officer, Department of Agriculture, and Joseph B. Dial, of Texas, to be a Commissioner of the Commodity Futures Trading Commission.

MILITARY CONSTRUCTION APPROPRIATION VETO

Committee on Appropriations: Committee ordered favorably reported S. 1292, to disapprove the cancellations transmitted by the President on October 6, 1997 regarding the Fiscal Year 1998 Military Construction Appropriations (Public Law 105–45), with an amendment.

NATO ENLARGEMENT

Committee on Appropriations: Committee concluded hearings to examine the cost implications of enlarging NATO membership to include Poland, Hungary, and the Czech Republic and the impact of enlargement on Department of Defense readiness, after receiving testimony from Henry L. Hinton, Jr., Assistant Comptroller General, National Security and International Affairs Division, General Accounting Office.

BUSINESS MEETING

Committee on Armed Services: Committee met to consider certain pending nominations, but did not take final action thereon, and recessed subject to call.

NOMINATIONS

Committee on Armed Services: Committee concluded hearings on the nominations of Lt. Gen. Peter J. Schoomaker, USA, to be Commander-in-Chief, United States Special Operations Command and for appointment to the grade of general, and Lt. Gen. John A. Gordon, USAF, to be Deputy Director of Central Intelligence and for appointment to the grade of general.

BUSINESS MEETING

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported the following bills:

S. 1228, to provide for a 10-year circulating commemorative coin program to commemorate each of the 50 States, with amendments; and

S. 318, to require automatic cancellation and notice of cancellation rights with respect to private mortgage insurance which is required by a creditor as a condition for entering into a residential mortgage transaction, with an amendment in the nature of a substitute.

NOMINATIONS

Committee on Banking, Housing, and Urban Affairs: Committee concluded hearings on the nominations of Kevin Emanuel Marchman, of Colorado, to be Assistant Secretary for Public and Indian Housing, Saul N. Ramirez Jr., of Texas, to be Assistant Secretary for Community Planning and Development, Richard F. Keevey, of Virginia, to be Chief Financial Officer, Eva M. Plaza, of Maryland, to be Assistant Secretary for Fair Housing and Equal Opportunity, and Gail W. Laster, of New York, to be General Counsel, all of the Department of Housing and Urban Development, Jo Ann Jay Howard, of Texas, to be Federal Insurance Administrator, Federal Emergency Management Agency, F. Amanda Debusk, of Maryland, to be an Assistant Secretary of Commerce, R. Roger Majak, of Virginia, to be Assistant Secretary of Commerce for Export Administration, and David L. Aaron, of New York, to be Under Secretary of Commerce for International Trade. Mr. Ramirez was introduced by Senator Gramm, Ms. Plaza was introduced by Representative Reyes, Ms. Howard was introduced by Senator Hutchison, Ms. Debusk and Mr. Majak were introduced by Senator Robb, and Mr. Aaron was introduced by Senator Baucus.

EUROPEAN PENSION PROGRAMS

Committee on the Budget: Committee concluded hearings to examine the current and future situation of public retirement systems in Europe and their impact on the European Monetary Union, and the need for pension reform, after receiving testimony from Koen De Ryck, Pragma Consulting, Brussels, Belgium; Richard Disney, University of London/Institute for Fiscal Studies, London, England; and Richard C. Leone, Twentieth Century Fund, New York, New York.

BUSINESS MEETING

Committee on Commerce, Science, and Transportation: Committee met and approved a proposal to improve travel safety on the nation's roads and waterways, promote the safe shipment of hazardous materials, and advance pipeline transportation safety.

U.S.-CHINA RELATIONS

Committee on Energy and Natural Resources: Committee held oversight hearings to examine certain issues associated with the potential export of United States generating technology to China, focusing on the benefits of implementing the United States-China Nuclear Cooperation Agreement, receiving testimony from William F. Martin, World Resources Institute, former Deputy Secretary of Energy and former Executive Secretary of the National Security Council, Robert L. Gallucci, Georgetown University School of Foreign Service, Robert E. Ebel, Center for Strategic and International Studies, and Joe F. Colvin, Nuclear Energy Institute, all of Washington, D.C.

Hearings were recessed subject to call.

MONUMENT BOUNDARY ADJUSTMENTS

Committee on Energy and Natural Resources: Subcommittee on National Parks, Historic Preservation, and Recreation concluded hearings on S. 633, to adjust the boundary of the Petroglyph National Monument, and S. 1132, to modify the boundaries of the Bandelier National Monument to include the lands within the headwaters of the Upper Alamo Watershed which drain into the Monument and which are not currently within the jurisdiction of a Federal land management agency, and to authorize purchase or donation of those lands, after receiving testimony from Denis P. Galvin, Deputy Director, National

Park Service, Department of the Interior; Mayor Martin J. Chavez, Mayor-Elect Jim Baca, Ike Eastvold, Friends of the Albuquerque Petroglyphs, and Terri Cole, Greater Albuquerque Chamber of Commerce, and Lawrence D. Weaver, Westside Coalition of Neighborhood Associations/Paradise Hills Civic Association, Robert L. Morris, Robert L. Morris Inc., and Dennis R. Foltz, Middle Rio Grande Council of Governments, all of Albuquerque, New Mexico; and William F. Weahkee, Five Sandoval Indian Pueblos, Inc., Bernalillo, New Mexico.

NORTH DAKOTA FLOOD CONTROL PROJECT

Committee on Environment and Public Works: Committee held hearings to examine the proposed flood control project at Devils Lake, North Dakota, receiving testimony from Senators Conrad and Dorgan; Representative Pomeroy; John H. Zirschky, Acting Assistant Secretary of the Army for Civil Works; Michael J. Armstrong, Associate Director for Mitigation, Federal Emergency Management Agency; David A. Sprynczynatyk, North Dakota State Water Commission, Bismarck; Gary L. Pearson, Dakota Prairie Audubon Society, Jamestown, North Dakota; and Joe Belford, Ramsey County Lake Emergency Management Committee, Devils Lake, North Dakota.

Hearings were recessed subject to call.

NOMINATION

Committee on Finance: Committee concluded hearings on the nomination of Charles Rossotti, of the District of Columbia, to be Commissioner of Internal Revenue, Department of the Treasury, after the nominee, who was introduced by Senator Warner and Representative Thomas Davis, testified and answered questions in his own behalf.

NOMINATIONS

Committee on Foreign Relations: Committee concluded hearings on the nominations of Daniel Fried, of the District of Columbia, to be Ambassador to the Republic of Poland, Peter Francis Tufo, of New York, to be Ambassador to the Republic of Hungary, Alexander R. Vershbow, of the District of Columbia, to be United States Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador, Thomas J. Miller, of Virginia, for the rank of Ambassador during his tenure of service as Special Coordinator for Cyprus, David Timothy Johnson, of Georgia, for the rank of Ambassador during his tenure of service as Head of the United States Delegation to the Organization for Security and Cooperation in Europe, Kathryn Walt Hall, of Texas, to be Ambassador to the Republic of Austria, and James Carew Rosapepe, of Maryland, to be Ambassador to Romania, after the nominees testified and answered questions in their own behalf. Ms. Hall was introduced by Senator Hutchison, and Mr. Rosapepe was introduced by Representative Hoyer.

U.S. INTERESTS IN CASPIAN BASIN

Committee on Foreign Relations: Subcommittee on International Economic Policy, Export and Trade Promotion concluded hearings to examine United States economic and strategic interests in the Caspian Sea region, after receiving testimony from Senator Brownback; Stuart E. Eizenstat, Under Secretary of State for Economic, Business and Agricultural Affairs; Lawrence S. Eagleburger, Baker, Donelson, Bearman and Caldwell, Washington, D.C., former Deputy Secretary of State; and Charles J. Pitman, Amoco Eurasia Petroleum Company, Houston, Texas.

CAMPAIGN FINANCING INVESTIGATION

Committee on Governmental Affairs: Committee continued hearings to examine certain matters with regard to the committee's special investigation on campaign financing, receiving testimony from Stephen Smith, Chief Petty Officer Charles McGrath, and Col. Charles Campbell, all of the White House Communications Agency.

Hearings continue on Tuesday, October 28.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

The nominations of Kenneth Ray McFerran, to be United States Marshal for the Western District of Arkansas, Joaquin L.G. Salas, to be United States Marshal for the District of Guam and concurrently United States Marshal for the District of the Northern Mariana Islands, Charles Vincent Serio, to be United States Marshal for the Eastern District of Louisiana, and Jose Gerado Troncoso, to be United States Marshal for the District of Nevada;

S. 474, to provide penalties against any person who, while engaged in the business of betting or wagering, knowingly uses a communication facility for the transmission or receipt in interstate or foreign commerce of bets or wagers, information assisting in the placing of bets or wagers, or a communication that entitles the transmitter or receiver to receive money or credit as a result of bets or wagers, with an amendment in the nature of a substitute;

S. 813, to provide criminal penalties for theft and willful vandalism at national cemeteries, with an amendment in the nature of a substitute; and

S. Res. 96, proclaiming the week of March 15 through March 21, 1998, as ''National Safe Place Week''.

EMPLOYMENT NON-DISCRIMINATION ACT

Committee on Labor and Human Resources: Committee held hearings on S. 869, to prohibit employment discrimination on the basis of sexual orientation, receiving testimony from Raymond W. Smith, Bell Atlantic Corporation, Arlington, Virginia; Thomas J. Grote, Donatos Pizza, Columbus, Ohio; Kendall Hamilton, Oklahoma City, Oklahoma; and David N. Horowitz, Phoenix, Arizona.

Hearings were recessed subject to call.

BUSINESS MEETING

Committee on Indian Affairs: Committee ordered favorably reported the following bills:

S. 109, authorizing funds to make block grants on behalf of Native Hawaiians to carry out affordable housing activities in Hawaii and provide the grant amounts directly to the Department of Hawaiian Home Lands, with an amendment in the nature of a substitute;

S. 1079, to permit the leasing of mineral rights, in any case in which the Indian owners of an allotment that is located within the boundaries of the Fort Berthold Indian Reservation and held trust by the United States have executed leases to more than 50 percent of the mineral estate of that allotment, with an amendment in the nature of a substitute;

S. 156, to provide certain benefits of the Pick-Sloan Missouri River Basin program to the Lower Brule Sioux Tribe, with an amendment; and

H.R. 79, to provide for the conveyance of certain land in the Six Rivers National Forest in the State of California for the benefit of the Hoopa Valley Tribe.

House of Representatives

Chamber Action

Bills Introduced: 22 public bills, H.R. 2707–2728; 2 private bills, H.R. 2706, 2729; and 2 resolutions, H. Res. 276, 279, were introduced. **Pages H9501–02**

Reports Filed: Reports were filed as follows:

H.R. 1493, to require the Attorney General to establish a program in local prisons to identify, prior to arraignment, criminal aliens and aliens who are unlawfully present in the United States, amended (H. Rept. 105–338);

H.R. 2265, to amend the provisions of titles 17 and 18, United States Code, to provide greater copyright protection by amending criminal copyright infringement provisions, amended (H. Rept. 105–339);

Conference report on H.R. 1119, to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999 (H. Rept. 105–340);

H.R. 2621, to extend trade authorities procedures with respect to reciprocal trade agreements, amended (H. Rept. 105–341 Part 1);

H. Res. 277, waiving points of order against the conference report to accompany H.R. 2107, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998 (H. Rept. 105–342); and

H. Res. 278, to authorize appropriations for fiscal years 1998 and 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 1998 and 1999 (H. Rept. 105–343). **Pages H9076–H9464, H9500–01**

Journal: By a yea and nay vote of 364 yeas to 52 nays, Roll No. 321, agreed to the Speaker's approval of the Journal of Wednesday, October 22. **Pages H9041, H9047**

Ceremony Honoring Leslie Townes (Bob) Hope: The House agreed to S. Con. Res. 56, authorizing the use of the rotunda of the Capitol for the ceremony honoring Leslie Townes (Bob) Hope by conferring upon him the status of an honorary veteran of the Armed Forces of the United States. **Pages H9046–47**

Sponsor of Molinari Measure: Agreed by unanimous consent that Representative Kelly be considered as the first sponsor of H.R. 616, to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer, coverage for reconstructive surgery following mastectomies, and coverage for secondary consultations, a bill originally introduced by Representative Molinari, for the purposes of adding cosponsors and requesting reprints. **Page H9056**

Education Savings Act for Public and Private Schools: By a yea and nay vote of 230 yeas to 198 nays, Roll No. 524, the House passed H.R. 2646, to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary

school expenses, to increase the maximum annual amount of contributions to such accounts.

Pages H9056–76

Rejected:

The Rangel amendment in the nature of a substitute that sought to increase the volume cap on bonds for public school construction and rehabilitation to $4 billion (rejected by a yea-and-nay vote of 199 yeas to 224 nays, Roll No. 523). **Pages H9067–75**

The House agreed to H. Res. 274, the rule that provided for consideration of the bill by a yea and nay vote of 287 yeas to 135 nays, Roll No. 522. Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in Part 1 of H. Rept. 105–336, the report accompanying the rule was considered as adopted. **Pages H9047–56**

Question of Privilege of the House: The Speaker ruled that H. Res. 276, relating to a question of the privileges of the House did constitute a question of privilege and was in order. By a yea and nay vote of 204 yeas to 222 nays with 1 voting ''present'', Roll No. 525, the House failed to agree to the resolution. **Pages H9464–73**

Quorum Calls—Votes: Five yea-and-nay votes developed during the proceedings of the House today and appear on pages H9047, H9055–56, H9075, H9075–76, and H9473. There were no quorum calls.

Adjournment: Met at 10:00 a.m. and adjourned at 9:23 p.m.

Committee Meetings

REVIEW—USDA ACCOUNTABILITY AND EQUITY ACT

Committee on Agriculture: Held a hearing to review H.R. 2185, USDA Accountability and Equity Act of 1997, and other civil rights measures. Testimony was heard from Dan Glickman, Secretary of Agriculture; and public witnesses.

SECURING AMERICA'S FUTURE

Committee on the Budget: Held a hearing on Securing America's Future: Preparing the Nation for the 21st Century. Testimony was heard from Speaker Gingrich and Representatives Shuster, Boehner, Archer, Stark, Neumann, Kolbe, Sabo, Brown of California, and Minge; and public witnesses.

DEPARTMENT OF ENERGY'S IMPLEMENTATION OF CONTRACT REFORM

Committee on Commerce: Subcommittee on Oversight and Investigations held a hearing on the Department of Energy's Implementation of Contract Reform: Mismanagement of Performance-Based Contracting. Testimony was heard from the following officials of the Department of Energy: John C. Layton, Inspector General; and Elizabeth Anne Moler, Deputy Secretary; and public witnesses.

CONSUMER PRODUCT SAFETY COMMISSION REAUTHORIZATION

Committee on Commerce: Subcommittee on Telecommunications, Trade, and Consumer Protection held a hearing on Reauthorization of the Consumer Product Safety Commission and GAO report CPSC: Better Data Needed to Help Identify and Analyze Potential Hazards. Testimony was heard from the following officials of the GAO: Carlotta Joyner, Director, Education and Employment Issues; and Sarah Glavine, Senior Economist; and the following officials of the Consumer Product Safety Commission: Ann Brown, Chairman; Mary Sheila Gall and Thomas Hill Moore, both Commissioners.

PATIENT ACCESS TO RESPONSIBLE CARE ACT

Committee on Education and the Workforce: Subcommittee on Employer-Employee Relations held a hearing on H.R. 1415, Patient Access to Responsible Care Act of 1997. Testimony was heard from Representatives Norwood and Miller of California; and public witnesses.

JOB CORPS OVERSIGHT

Committee on Government Reform and Oversight: Subcommittee on Human Resources held a hearing on ''Job Corps Oversight: Recruitment and Placement Standards''. Testimony was heard from the following officials of the Department of Labor: Patricia A. Dalton, Deputy Inspector General; and Mary H. Silva, National Director, Job Corps; Cornelia Blanchette, Associate Director, Education and Employment Issues, GAO; and public witnesses.

CONDEMNING INTERVENTION BY ANGOLA INTO CONGO

Committee on International Relations: Subcommittee on Africa approved for full Committee action H. Res. 273, condemning the military intervention by the Government of the Republic of Angola into the Republic of the Congo.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Commercial and Administrative Law approved for full Committee action the following measures: H.J. Res. 91, amended, granting the consent of Congress to the Apalachicola-Chattahoochee-Flint River Basin Compact; H.J. Res. 92, amended, granting the consent of Congress tot he Alabama-Coosa-Tallapoosa River Basin Compact; H.J. Res. 95, granting the

consent of Congress to the Chickasaw Trail Economic Development Compact; and H.J. Res. 96, granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact.

Prior to this action, the Subcommittee held a hearing on these measures. Testimony was heard from Representatives Barr of Georgia, Boyd, Bryant, Wicker, and Davis of Virginia; Peter D. Coppelman, Deputy Assistant Attorney General, Environment and Natural Resources Division, Department of Justice; Jack Evans, Chairman, Board of Directors, Washington Metropolitan Area Transit Authority; G. Robert Kerr, Director, Pollution Prevention Assistance Division, Department of Natural Resources, State of Georgia; Walter B. Stevenson, Director, Office of Water Resources, State of Alabama; Douglas E. Barr, Executive Director, Northwest Florida Water Management District, State of Florida; and a public witness.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Courts and Intellectual Property held a hearing on the following bills: H.R. 2652, Collections of Information Protection Act; and H.R. 2696, Vessel Hull Design Protection Act. Testimony was heard from Marybeth Peters, Register, U.S. Copyright Office, Library of Congress; and public witnesses.

COMMUNICATIONS ASSISTANCE FOR LAW ENFORCEMENT ACT IMPLEMENTATION

Committee on the Judiciary: Subcommittee on Crime held a hearing on the implementation of the Communications Assistance for Law Enforcement Act of 1994. Testimony was heard from the following officials of the FBI, Department of Justice: Edward L. Allen, Chief, Electronic Surveillance Technology Section and H. Michael Warren, Chief, CALEA Implementation Section, both with the Information Resources Division; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans approved for full Committee action amended H.R. 2376, National Fish and Wildlife Foundation Establishment Act Amendments of 1997.

The Subcommittee also held a hearing on the following bills: H.R. 2401, to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System; and H.R. 2556, Wetlands and Wildlife Enhancement Act of 1997. Testimony was heard from Representative Tanner; Don Barry, Acting Assistant Secretary, Department of the Interior; and public witnesses.

NATIONAL FOREST SYSTEM LANDS—RECREATIONAL RESIDENCE USE FEES

Committee on Resources: Subcommittee on Forests and Forest Health held an oversight hearing on the Recreational Residence Use Fees on National Forest System Lands. Testimony was heard from Representative Nethercutt; Janice McDougle, Associate Deputy Chief, National Forest Systems, Forest Service, USDA; and public witnesses.

CONFERENCE REPORT—INTERIOR APPROPRIATIONS

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the Conference Report to accompany H.R. 2107, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998 and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Representatives Regula and Sam Johnson of Texas.

CONFERENCE REPORT—NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Rules: Granted, by voice vote a rule waiving all points of order against the conference report to accompany H.R. 1119, National Defense Authorization Act for Fiscal Year 1998, and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Chairman Spence and Representative Dellums.

MISCELLANEOUS MEASURES

Committee on Transportation: Subcommittee on Aviation approved for full Committee action amended the following bills: H.R. 2626, to make clarifications to the Pilot Records Improvement Act of 1996; and H.R. 2476, to amend title 49, United States Code, to require the National Transportation Safety Board and individual foreign air carriers to address the needs of families of passengers involved in aircraft accidents involving foreign air carriers.

FAA—ALLEGATIONS OF SEXUAL HARASSMENT

Committee on Transportation and Infrastructure: Subcommittee on Aviation held a hearing on Allegations of Sexual Harassment at the FAA. Testimony was heard from the following officials of the FAA, Department of Transportation: Jane F. Garvey, Administrator; Joan M. Henson, Air Traffic Control Specialist, Atlanta; Carl W. Reed, Operational Supervisor, Houston Air Route Traffic Control Center,

Houston, TX; Julia Avery, Air Traffic Control Specialist, Houston Air Route Traffic Center; and Jan Vera Gonzales, Class Agent, John Wayne Tower; and public witnesses.

BAN ON SMOKING IN FEDERAL BUILDING ACT

Committee on Transportation: Subcommittee on Public Buildings and Economic Development held a hearing on H.R. 2118, Ban on Smoking in Federal Buildings Act. Testimony was heard from Representative Blumenauer; David Bibb, Deputy Associate Administrator, GSA; Alan M. Hantman, Architect of the Capitol; and a public witness.

VA INSPECTOR GENERAL REPORTS—ALLEGED MISMANAGEMENT AT CERTAIN MEDICAL CENTERS

Committee on Veterans' Affairs: Subcommittee on Oversight and Investigations held a hearing on VA Inspector General Reports on Alleged Mismanagement at the Charleston, South Carolina and Pittsburgh, Pennsylvania VA Medical Centers, and on related matters. Testimony was heard from Representative Sanford; the following officials of the Department of Veterans Affairs: William T. Merriman, Deputy Inspector General; Kenneth Clark, Chief Network Officer, Dean S. Billik, Director, Central Texas Veterans Healthcare System, Veterans Integrated Services Network 17, Thomas A. Cappello, Director, Pittsburgh VA Healthcare System, Veterans Integrated Services Network 4, all with the Veterans Health Administration; Fletcher P. Truesdell, Employee, Charleston VA Medical Center; and Kate Irene Smith, Employee, Charleston VA Medical Center.

FUTURE OF SOCIAL SECURITY

Committee on Ways and Means: Subcommittee on Social Security continued hearings on the Future of Social Security for this Generation and the Next, with emphasis on the Current State of Public Opinion on Social Security Reform. Testimony was heard from public witnesses.

AFRICAN GROWTH AND OPPORTUNITY ACT; UNILATERAL TRADE SANCTIONS

Committee on Ways and Means: Subcommittee on Trade approved for full committee action amended H.R. 1432, African Growth and Opportunity Act.

The Subcommittee also held a hearing on the use and effect of unilateral trade sanctions. Testimony was heard from Representatives Hamilton, Kolbe and Ros-Lehtinen; Stuart E. Eizenstat, Under Secretary, Economic, Business and Agricultural Affairs, Department of State; and public witnesses.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST *p. D1102)*

S. 1000, to designate the United States courthouse at 500 State Avenue in Kansas City, Kansas, as the ''Robert J. Dole United States Courthouse''. Signed October 22, 1997. (P.L. 105–63)

COMMITTEE MEETINGS FOR FRIDAY, OCTOBER 24, 1997

Senate

(Committee meetings are open unless otherwise indicated)

Committee on Banking, Housing, and Urban Affairs, to hold hearings to examine the National export strategy, 10 a.m., SD–538.

Committee on Foreign Relations, to hold hearings on the nominations of Carolyn Curiel, of Indiana, to be Ambassador to Belize, Victor Marrero, of New York, to be an Alternate Representative of the United States to the 51st Session of the General Assembly of the United Nations, Christopher C. Ashby, of Connecticut, to be Ambassador to the Oriental Republic of Uruguay, and Timothy Michael Carney, of Washington, to be Ambassador to the Republic of Haiti, 9 a.m., SD–419.

Committee on Governmental Affairs, to hold hearings on H.R. 1953, to clarify State authority to tax compensation paid to certain employees, 10 a.m., SD–342.

House

Committee on Commerce, Subcommittee on Finance and Hazardous Materials, to mark up H.R. 10, the Financial Services Competitiveness Act of 1997, 10 a.m., 2123 Rayburn.

Committee on International Relations, to mark up the Iran Missile Proliferation Sanctions Act of 1997, 10 a.m., 2172 Rayburn.

Committee on Rules, to consider H.R. 1270, Nuclear Waste Policy Act of 1997, 9:30 a.m., H–313 Capitol.

Committee on Science, Subcommittee on Space and Aeronautics, hearing on Space Solar Power: A Fresh Look, 10 a.m., 2325 Rayburn.

Next Meeting of the SENATE

9:45 a.m., Friday, October 24

Senate Chamber

Program for Friday: Senate will resume consideration of S. 1173, ISTEA legislation, with a cloture vote on the modified committee amendment to occur thereon.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, October 24

House Chamber

Program for Friday: Complete consideration of H.R. 2247, Amtrak Reform and Privatization Act (modified closed rule);

Consideration of the Conference Report on H.R. 2107, Department of the Interior and Related Agencies Appropriations (rule waiving all points of order); and

Consideration of the Conference Report on H.R. 1119, Department of Defense Authorization (rule waiving all points of order).

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