

106TH CONGRESS
1ST SESSION

H. R. 2709

To amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1999

Mr. GOODLATTE (for himself, Mr. LAHOOD, Mr. MORAN of Kansas, Mr. CALVERT, Mr. BACHUS, Mr. SIMPSON, Mr. MARTINEZ, Mr. GOODE, and Mrs. EMERSON) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electronic Benefit
5 Transfer Interoperability and Portability Act of 1999”.

1 **SEC. 2. INTEROPERABILITY AND PORTABILITY OF FOOD**
2 **STAMP TRANSACTIONS.**

3 Section 7 of the Food Stamp Act of 1977 (7 U.S.C.
4 2016) is amended by adding at the end the following:

5 “(k) INTEROPERABILITY AND PORTABILITY OF ELEC-
6 TRONIC BENEFIT TRANSFER TRANSACTIONS.—

7 “(1) REQUIREMENT.—To protect the integrity
8 of the food stamp program, to ensure cost-effective
9 portability of food stamp benefits across State bor-
10 ders without imposing additional administrative ex-
11 penses for special equipment to address problems re-
12 lating to such portability, to enhance the flow of
13 interstate commerce involving electronic transactions
14 involving food stamp benefits under a uniform na-
15 tional standard of interoperability and portability,
16 and to eliminate the inefficiencies resulting from a
17 patchwork of State-administered systems and rules
18 used to carry out the food stamp program, systems
19 that provide for the electronic issuance, use, and re-
20 demption of coupons in the form of electronic benefit
21 transfer cards shall be interoperable, and food stamp
22 benefits shall be made portable, among all the States
23 not later than October 1, 2002, in compliance with
24 paragraph (3) and subject to paragraph (4).

25 “(2) COST.—The cost of achieving the inter-
26 operability and portability described in paragraph

1 (1) shall not be imposed on any food stamp retail
2 store, or any wholesale food concern, approved to
3 participate in the food stamp program.

4 “(3) RULES.—The Secretary shall issue and
5 put into effect, not later than December 31, 1999,
6 rules—

7 “(A) adopting a uniform national standard
8 of interoperability and portability described in
9 paragraph (1) that uses the standard of inter-
10 operability and portability adopted by a major-
11 ity of the States; and

12 “(B) requiring that any electronic benefit
13 transfer contract that is entered into after De-
14 cember 31, 1999, by or on behalf of a State
15 agency shall provide for the interoperability and
16 portability that is described in paragraph (1)
17 and that complies with such standard.

18 “(4) EXEMPTIONS—

19 “(A) EXISTING CONTRACTS.—With respect
20 to an electronic benefit transfer contract in ef-
21 fect on July 22, 1999, paragraph (3)(B) shall
22 not apply until the expiration date specified in
23 such contract as so in effect.

24 “(B) WAIVER.—At the request of a State
25 agency, the Secretary may provide 1 waiver to

1 temporarily exempt, for a period ending on or
2 before the date specified under clause (iii), such
3 State agency from complying with the require-
4 ments of paragraph (1) if such State agency—

5 “(i) establishes to the satisfaction of
6 the Secretary that it faces unusual techno-
7 logical barriers to achieving by October 1,
8 2002, the interoperability and portability
9 described in paragraph (1);

10 “(ii) demonstrates that the best inter-
11 est of food stamp benefit recipients and of
12 the food stamp program would be served
13 by granting such waiver with respect to the
14 electronic benefit transfer system used by
15 such State agency to administer the food
16 stamp program; and

17 “(iii) specifies a date certain by which
18 such State agency will achieve the inter-
19 operability and portability described in
20 paragraph (1).

21 “(5) FUNDING.—Beginning on the effective
22 date of this subsection, the Secretary shall pay 100
23 percent of the fees for switching and settling inter-
24 state transactions—

1 “(A) incurred after such date and before
2 October 1, 2002, in States that use the stand-
3 ard of interoperability and portability adopted
4 by a majority of the States; and

5 “(B) incurred after September 30, 2002,
6 in States that use the uniform national stand-
7 ard of interoperability and portability adopted
8 under paragraph (3)(A) by the Secretary.

9 “(6) DEFINITIONS.—For purposes of this sub-
10 section:

11 “(A) ELECTRONIC BENEFIT TRANSFER
12 CONTRACT.—The term ‘electronic benefit trans-
13 fer contract’ means a contract that provides for
14 the issuance, use, or redemption of coupons
15 issued in the form of electronic benefit transfer
16 cards.

17 “(B) INTEROPERABILITY.—The term
18 ‘interoperability’ means a system that enables a
19 coupon issued in the form of an electronic ben-
20 efit transfer card to be redeemed in any State.

21 “(C) INTERSTATE TRANSACTION.—The
22 term ‘interstate transaction’ means a trans-
23 action that is initiated in 1 State by the use of
24 an electronic benefit transfer card that is issued
25 in another State.

1 “(D) PORTABILITY.—The term ‘port-
2 ability’ means a system that enables a coupon
3 issued in the form of an electronic benefit
4 transfer card to be used in any State by a
5 household to purchase food at a retail food
6 store approved under such Act.

7 “(E) SETTLING.—The term ‘settling’
8 means movement, and reporting such move-
9 ment, of funds from an electronic benefit trans-
10 fer card issuer that is located in 1 State to a
11 retail food store (or wholesale food concern)
12 that is located in another State, to accomplish
13 an interstate transaction.

14 “(F) SWITCHING.—The term ‘switching’
15 means the routing of an interstate transaction
16 that consists of transmitting the details of a
17 transaction electronically recorded through the
18 use of an electronic benefit transfer card in 1
19 State to the issuer of such card who is in an-
20 other State.”.

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